

## FRANCHISE DISCLOSURE DOCUMENT



**LIFE SAVER FRANCHISING, INC.**

**a Florida corporation**

**1085 SW 15th Avenue, #E3**

**Delray Beach, Florida 33444**

**(561) 272-8242**

**email address: [eric@poolfence.com](mailto:eric@poolfence.com)**

**[www.lifesaverfranchising.com](http://www.lifesaverfranchising.com)**

**[www.poolfence.com](http://www.poolfence.com)**

The franchise is for a LSPF Business (the “**Business**”) that sell and install the highest quality and safest pool safety products, including our removable mesh pool fence, the original Life Saver Pool Fence®, the Pool Barrier fence, the Pool Corral, the Life Saver Pet Fence, poolfenceDIY and other products and services to residential customers, using our System.

The total investment necessary to begin operation of a LSPF Business franchise ranges from \$71,658 to \$105,998. This includes \$37,200 to \$40,200 that must be paid to the franchisor or affiliate. The total investment necessary to begin operations of a conversion franchise ranges from \$14,708 to \$21,023. This includes \$200 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Javier Padilla, 1085 SW 15th Avenue, #E3, Delray Beach, Florida 33444 and telephone number (561) 272-8242.

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

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

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

Issuance Date: April 21, 2025

## How to Use This Franchise Disclosure Document

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

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

## What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

Your state also may have laws and 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 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 Florida. 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 Florida than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.
4. **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.
5. **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. If so, check the "State Specific Addenda" pages for your state.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Antitrust & Franchise  
G. Mennen Williams Building, 6th Floor  
525 West Ottawa  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

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Applicable state law may require additional disclosures related to the information contained in this disclosure document. These additional disclosures, if any, appear as an addendum or rider in Exhibit "E."

**LIFE SAVER POOL FENCE®**  
**FRANCHISE DISCLOSURE DOCUMENT**

**Item 1**  
**FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

The Franchisor is **LIFE SAVER FRANCHISING INC.**, referred to as “we,” “us,” or “our.” We also do business under our corporate name and the names “**LIFE SAVER POOL FENCE®.**” “**You**” or “**your**” means a person who acquires a franchise from us. If you are a corporation, partnership or other entity, certain provisions of our Franchise Agreement also will apply to your owners. This disclosure document will indicate when your owners also are covered by a particular provision.

**The Franchisor**

We are a Florida corporation that was formed effective October 7, 2022. Our principal business address is 1085 SW 15th Avenue, #E3, Delray Beach, Florida 33444 and our telephone number is (561) 272-8242. Our registered agent for service of process in Florida is Larry M. Mesches, P.L., 4400 PGA Boulevard, Suite 201, Palm Beach Gardens, Florida 33410. Our agents for service of process in the states that require franchise registration are listed in Exhibit “D” to this disclosure document. We do not do business under any names other than our corporate name and the trade name “LIFE SAVER POOL FENCE®.”

We offer franchises (each a “**LSPF Business**” or “**Businesses**”) to qualified and capable candidates who want to sell and install the highest quality, safest pool safety products, including our removable mesh pool fence, the original Life Saver Pool Fence®, the Pool Barrier fence, the Pool Corral, the Life Saver Pet Fence, poolfence DIY and other products and services (the “**Products and Services**”) to residential customers, using our System.

We have been offering franchises for LSPF Businesses since February 2023. We do not operate the type of business being offered under this disclosure document, but our affiliates do. We have not conducted business in any other line of business. We have not offered franchises in any other line of business.

**Parents, Predecessors and Affiliates**

We do not have a parent or any predecessors. Our affiliates are:

<b>Name</b>	<b>Address</b>	<b>Entity Information</b>	<b>Business</b>
Life Saver Pool Fence Systems, Inc. (“ <b>LSPF Inc.</b> ”)	1085 SW 15th Avenue, Suite E#3 Delray Beach, FL 33444	Florida corporation formed on 03/07/91	Manufactures pool fence products that are sold to our franchisees and operates the LSPF Dealership network.
South Florida Pool Fence LLC (“ <b>LSPF South Florida</b> ”)	401 Harbour Road North Palm Beach, FL 33408	Florida LLC formed on 05/28/14	Operates a LSPF Business in Palm Beach County, Florida (since June 2014)

Our affiliates do not have any other business activities and do not offer franchises in any lines of business.

### **The Business**

LSPF Businesses market, sell and perform Products and Services to residential customers using our System under distinctive formats, methods, policies, procedures, standards, specifications, information, sales and training techniques, business relationships, marks and copyrights developed by us or our affiliates, all of which we may change, alter, amend, further improve, discontinue, develop or otherwise modify from time to time (collectively, the “**System**”). You may not sell the Products and Services on a wholesale basis.

### **The Franchise Offered**

The LSPF Business that you will establish and operate will be referred to in this disclosure document as your “**LSPF Business**.” You will acquire a license to use certain logos, service marks and trademarks, including the service mark “LIFE SAVER POOL FENCE®” (collectively, the “**Marks**”) and proprietary systems, procedures and technology in the operation of your LSPF Business. The “**Marks**” also include our distinctive trade dress used to identify LSPF Businesses, whether now in existence or created in the future. You must sign a franchise agreement (the “**Franchise Agreement**”). You will operate your LSPF Business in accordance with the Franchise Agreement in the form attached to this disclosure document as Exhibit “A.”

LSPF Businesses are characterized by the System which includes our methods and procedures for the establishment, management and operation of LSPF Businesses, including our logos, concept, style, trade secrets, proprietary products, programs and products, confidential operations manuals and operating system. The operational aspects of a LIFE SAVER POOL FENCE® Business are contained within our confidential operating manuals (collectively, the “**Manual**”). You will operate your LSPF Business as an independent business using the Marks, the System, the LIFE SAVER POOL FENCE® name, as well as the support, guidance and other methods and materials provided or developed by us. For uniformity and brand integrity, you may not offer other services or products without our prior written approval.

### **Existing Dealers and Conversion Program**

Our affiliate, LSPF Inc., appoints dealers to sell Products and Services under dealership agreements (each, an “**LSPF Dealership**”). LSPF Dealerships are not offered under this disclosure document and differ substantially from franchised LSPF Businesses. LSPF Dealerships do not purchase a license or franchise to operate their business, nor do they receive territorial protections; and, unlike franchised LSPF Businesses, LSPF Dealerships generally are not required to operate as full-time businesses, and many do not. However, both franchisees and LSPF Dealerships purchase their requirements of certain Life Saver Pool Fence® products from our affiliate at wholesale prices and sell and install those products for end users. Franchised LSPF Businesses, therefore, have more detailed operational requirements, such as software and systems requirements, and marketing and advertising requirements. But, Franchised LSPF Businesses may receive favorable wholesale pricing for Products and Services and benefit from additional institutional resources and training, including automated lead-generation software and client relationship management software.

If you are currently operating an LSPF Dealership, you may convert it to an LSPF Business under our conversion program. In addition to the Franchise Agreement, you will sign a conversion addendum in the form attached Exhibit “A-1” to this disclosure document (the “**Conversion Addendum**”), which will modify certain provisions of the Franchise Agreement.

## **Market and Competition**

The market for selling and installing pool fence solutions is developed and competitive. You will compete with both national and local companies that sell and install pool fencing solutions, as well as those customers that do it themselves, including through our do-it-yourself product line “Pool Fence DIY.” You will also compete with other LSPF Businesses, LSPF Dealerships, and other channels of distribution that we control such as ecommerce. The pool fence installation business is seasonal. You will experience higher volume in summer months and lower volume in winter months. This seasonal difference is more pronounced in colder climates.

## **Laws and Regulations**

There may be local, state and/or federal laws or regulations pertaining to your LSPF Business with which you must comply. Certain local municipalities and state governments require various contractor licenses, and there may be additional requirements if you will be doing work to satisfy a local or state pool safety code. These requirements vary from state to state and, within states, they vary across municipalities and other political subdivisions. We strongly suggest that you investigate these laws before investing in this franchise.

## **Item 2 BUSINESS EXPERIENCE**

Unless otherwise stated, all of the following individuals are located in Delray Beach, FL.

### **Eric Lupton, President**

Mr. Eric Lupton has been our President since our inception on October 7, 2022. He has been President of LSPF Inc. since January 1, 2003.

### **Christopher Lupton, Director and Vice President of Research and Development**

Mr. Christopher Lupton has been our Director and Vice President of Research and Development since our inception on October 7, 2022, and has held those positions with LSPF Inc. since March 12, 2014.

### **Vitaly Neimer, Chief Financial Officer**

Mr. Neimer has been our Chief Financial Officer since our inception on October 7, 2022. He has been Chief Financial Officer for LSPF Inc. since June 28, 2021. From June 2016 to present, he has been self-employed in St. Louis, Missouri as a Chess Coach.

### **Javier Padilla, Business Development Manager**

Mr. Padilla has been our Business Development Manager since our inception on October 7, 2022. He has been the Business Development Manager for LSPF Inc. since May 2, 2022. From April 2018 until April 2022, he was a Producing Market Leader for Bank United in Deerfield Beach, Florida.

### **Michael McGahee, Executive Assistant to President**

Mr. McGahee has been the Executive Assistant to the President since our inception on October 7, 2022. He has been the Executive Assistant to the President of LSPF Inc. since October 1, 2018.

### **Kate Mottram, Vice President Wholesale Distribution**

Ms. Mottram has been our Vice President of Wholesale Distribution since our inception on October 7, 2022, and has held that position with our affiliate, LSPF Inc. since July 21, 2021. Prior to that, Ms. Mottram was a Logistics Manager for LSPF Inc. from September 2012 to July 2021.

**Karen Kutcher, Franchise Recruitment Specialist**

Ms. Kutcher has been our Franchise Recruitment Specialist since March 2024. Prior to that, she was a restaurant manager at Nordstrom in Boca Raton, FL from February 2013 to April 2024. She has also served as an onboarding specialist with One Love Social in Boynton Beach, FL from August 2023 to January 2024, and an administrator with West Palm Contracting in Royal Palm, FL from January 2024 to June 2024.

**Casey Buckley, Managing Member (LSPF South Florida)**

Mr. Buckley has been the Managing Member of our affiliate, LSPF South Florida, since May 2014, in North Palm Beach, FL.

**Lia Blanchard, Chief Communications Officer**

Ms. Blanchard has been our Chief Communications Officer since November of 2023. Prior to joining us, she served in various roles with the Snohomish County Public Transportation Benefit Area (Community Transit), including Public Information Specialist, Media Relations, Internal Communications Specialist, Internal Communications Senior Specialist, and Internal Communications Strategist, from September 2017 to October 2023. Ms. Blanchard is based in Everett, WA.

**Rich Specht, Director of Education and Training**

Mr. Specht has been our director of Education and Training since March 2024. Mr. Specht has also served as the President and CEO of the ReesSpecht Life Foundation since June 2016. Mr. Specht is based in Sound Beach, NY.

**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.

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**Item 5**  
**INITIAL FEES**

All of the following fees are fully earned by us when paid and nonrefundable.

**Initial Franchise Fee**

You must pay us a nonrefundable initial franchise fee of \$35,000. The initial franchise fee is payable in full when you and we enter into the Franchise Agreement. The initial franchise fee is determined uniformly for all franchisees. If you are a qualified veteran, or if you are a parent of a victim of drowning, your initial franchise fee will be reduced to \$28,000. If you are a dealer converting to a franchise we will waive the initial franchise fee.

We may permit you to purchase additional territory adjacent to your territory at our then-current rate based on the population or number of households in the adjacent territory. Currently, the additional territory fee is \$1,000 per 10,000 households in the adjacent territory.

**Initial Inventory**

You must purchase an initial inventory from us or our affiliates ranging from \$2,000 to \$5,000 as set forth on your Franchise Agreement. If you are a dealer converting to a franchise, we assume you already have sufficient inventory on hand. The initial inventory package contains fence materials, including our proprietary fencing products, necessary for you to complete your initial jobs.

**Initial Software Set-Up Fee**

You must pay us or our affiliates a \$200 initial software set-up fee.

There are no other amounts that must be paid to us or our affiliates prior to opening your LSPF Business.

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**Item 6  
OTHER FEES**

<b>Type of Fee <sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee <sup>(2)</sup>	3% of Gross Sales <sup>(3)</sup>	Tuesday of each week (the “ <b>Payment Date</b> ”)	Paid by automatic debit or ACH
System Fund Contributions	Not to exceed 3% of Gross Sales (currently 1% of Gross Sales)	On the Payment Date	Payable in such amounts as designated by us from time to time.
Local Advertising and Marketing	You must spend at least \$2,800 each month on approved local marketing, promotion and/or advertising	As incurred	This requirement will not begin until your 4th month of operation. We may, from time to time, increase or decrease this local advertising and promotion requirement to account for regional difference related to seasonal demand for Products and Services. These regional adjustments may differ among LSPF Businesses. We reserve the right to increase the minimum local advertising and promotion requirement (whether on a regional basis as described in the previous sentence, or across the entire System) by up to 15%, but not more than one time per year.
Co-op Contributions	As determined by the Co-op, not to exceed \$2,000 (which we may increase by up to 15% per year) unless a greater amount is voted by the Co-op	As determined by the Co-op.	If established in your geographic area, you must join and actively participate. Your local advertising requirement will be reduced by the amount of the Co-op Contribution.
Replacement-Manager Training	\$3,000 per trainee, plus expenses	Before training begins	Payable only if you replace your manager.
Additional Training Fee	\$400 per day, per trainer plus travel and related expenses	Before assistance begins	Payable only if we provide you additional assistance at a location approved by us within your Territory.
Installer Training	Not currently charged, but will not exceed \$500, subject to 3% annual inflationary adjustment	10 days after invoice	We do not currently charge this fee, but may do so in the future. You must pay the travel, lodging, food and wage expenses of your installer

<b>Type of Fee <sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Certified Installer Training	Not currently charged, but will not exceed \$500, subject to 3% annual inflationary adjustment	10 days after invoice	We do not currently charge this fee, but may do so in the future. You must pay the travel, lodging, food and wage expenses of your installer
Convention Attendance Fee	Up to \$500, subject to 3% annual inflationary adjustment	10 days after invoice	Payable only if we require to attend our conventions.
Printed Manual	Actual Printing and Shipping Costs	10 days after invoice	Generally, we will provide the Manuals electronically; if you request, and we agree, to provide to you a printed copy, you will bear the costs associated with preparing, printing and shipping the Manuals to you.
Technology Fee	\$25 per week	On the Payment Date	This fee is used to pay third party designated vendors for ongoing services, including the reporting system and business portal.
Customer Lead Fee	Not currently charged, but will not exceed \$500, subject to 3% annual inflationary adjustment	1 <sup>st</sup> Payment Date each month	We will provide you with pre-qualified leads located within your territory for which we do not currently charge a fee, but may do so in the future.
Call Center Fee	Not currently charged, but will not exceed \$500, subject to 3% annual inflationary adjustment	1 <sup>st</sup> Payment Date each month	If we establish a call center, you will be required to use the call center services and pay our then-current fee.
Sales Assistance Fee	Not currently charged, but will not exceed \$500, subject to 3% annual inflationary adjustment	1 <sup>st</sup> Payment Date each month	Payable only if you choose to use an inside sales service provided by us.
Customer Responsiveness Fee	Not to exceed \$500, subject to 3% annual inflationary adjustment	1 <sup>st</sup> Payment Date each month	Payable only if you fail to answer your telephone in person and we provide call answering services.
Supplier Evaluation Fee	Our Actual Costs	30 days after notice to you of approval or disapproval of the supplier	If you request that we approve a supplier that is not currently an Approved Supplier, you will reimburse us our actual costs of evaluating the supplier. This fee is due regardless of whether we approve the supplier.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Successor Franchise Fee	\$3,000	At the time of election, but not less than 30 days prior to the expiration date.	There are other conditions for the grant of a successor franchise.
Transfer Fee	75% of our then-current franchise fee	Before transfer	Payable when you transfer or sell your franchise. The Transfer Fee is reduced to 50% of our then-current franchise fee for a sale to an existing franchisee. If the sale is between owners or adding an owner, the transfer fee is \$1,500. Subject to State Law.
Customer Feedback Fee	Up to \$200 per year	10 days after invoice	We do not currently charge this fee.
Inspection Fee	Up to \$300 per visit	10 days after invoice	Payable only if we require you to engage an inspection service to ensure your installations meet our safety standards.
Audit Fee	Actual cost of the audit or inspection	10 days after invoice	If you fail to timely furnish any reports or records that we require or if such reports understate the amount due us by 2% or more.
Interest on Late Payments	Lesser of 1.5% per month of amount past due or highest contract rate allowed by applicable law	10 days after invoice	Payable on all overdue amounts.
Insufficient Funds Fee	\$100 per occurrence	Upon demand	If there are insufficient funds in your account to cover all amounts that you owe us.
Indemnification	Will vary with circumstances	Upon demand	If we are sued for claims relating to the operation of your LSPF Business or for damages that we incur due to your breach of the Franchise Agreement, then you must reimburse us.
Insurance	Amount of premiums	Upon demand	Payable only if you do not maintain required insurance coverage and we elect to obtain coverage for you.
Management Fee	3% of Gross Sales plus our travel and living expenses	Weekly	Payable only on your death or disability or if you are in default under your Franchise Agreement and we appoint a manager to manage the day-to-day operations of your LSPF Business.

**NOTES:**

(1) All fees and expenses described in this Item 6 are uniformly imposed and non-refundable. Except as otherwise indicated in the chart above, we impose all of the fees and expenses listed above, and

they are payable to us. We may, at our option, require you to pay any or all periodic or recurring fees to us by electronic funds transfer.

(2) If the state or local taxing authorities in your Territory impose any taxes on any payments that you owe to us (like a sales or service tax), then you must comply with all tax reporting and pay to us an adjusted amount to cover any such taxes, so that the net amount paid to us is not reduced by such taxes. This gross-up provision for state or local taxes applies only to taxes imposed directly on the Royalties or other amounts due to us. This provision does not apply to any taxes separately imposed on us, like income taxes.

(3) The term “**Gross Sales**” means all revenue derived from operating your LSPF Business, which includes all the revenues received from marketing and selling the Products and Services we develop from time to time, and all the revenues received from selling any other products or services sold through your LSPF Business or sold through or using the System whether or not such products or services bear the Marks or were developed by us, and in any case whether in the form of cash, credit or otherwise and whether or not payment is received at the time of sale or any amounts prove uncollectible. Gross Sales does not include any sales tax or other taxes collected by the LSPF Business and paid to the appropriate taxing authority.

You must generate at least the following Gross Sales per 12-month period from the Commencement Date:

<b>Period</b>	<b>Minimum Gross Sales</b>
Months 1 through 12	None
Months 13 through 24	\$162,500
Months 25 through 36	\$211,250
Months 37 through 48	\$275,000
Months 49 through 60	\$357,000

We may terminate the franchise agreement and your franchise if you fail to meet these minimum performance requirements.

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**Item 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**  
**START-UP FRANCHISE**

Type of Expenditure	Amount <sup>(1)</sup>		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee <sup>(2)</sup>	\$35,000	\$35,000	Lump sum	Upon effective date of Franchise Agreement	Us
Rent Deposit <sup>(3)</sup>	0	\$300	As incurred	As agreed	Third parties
Rent (3 months) <sup>(3)</sup>	0	\$900	As incurred	As agreed	Third parties
Vehicle, Equipment, Signage <sup>(4)</sup>	\$13,600	\$25,000	Lump sum	As agreed	Third parties
Office Set-Up <sup>(5)</sup>	0	\$2,000	As incurred	As agreed	Third parties
Technology, Hardware and Software <sup>(6)</sup>	\$1,968	\$3,668	Lump sum	As agreed	Us and Third parties
Initial Inventory <sup>(7)</sup>	\$2,000	\$5,000	Lump sum	Upon effective date of Franchise Agreement	Us or our affiliates
Business Licenses & Permits <sup>(8)</sup>	\$50	\$250	As agreed	As agreed	Third parties
Professional Fees <sup>(9)</sup>	\$2,000	\$4,000	As agreed	As agreed	Third parties
Business Insurance <sup>(10)</sup>	\$1,200	\$3,600	Lump sum	As incurred	Third parties
Training Expenses <sup>(11)</sup>	\$1,840	\$3,280	As agreed	As agreed	Third parties
Grand Opening Advertising <sup>(12)</sup>	\$10,000	\$15,000	As agreed	As agreed	Third parties
Additional Funds <sup>(13)</sup>	\$4,000	\$8,000	As agreed	As agreed	Third parties
<b>Total Estimated Initial Investment<sup>(14)</sup></b>	<b>\$71,658</b>	<b>\$105,998</b>			

**YOUR ESTIMATED INITIAL INVESTMENT  
CONVERSION FRANCHISE**

Type of Expenditure	Amount <sup>(1)</sup>		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee <sup>(2)</sup>	\$0	\$0	Lump sum	Upon effective date of Franchise Agreement	Us
Vehicle, Equipment, Signage <sup>(4)</sup>	\$1,000	\$2,000	Lump sum	As agreed	Third parties
Technology, Hardware and Software <sup>(6)</sup>	\$1,968	\$3,668	Lump sum	As agreed	Us or Third parties
Professional Fee <sup>(9)</sup>	\$2,000	\$4,000	As incurred	As agreed	Third parties
Training Expenses <sup>(11)</sup>	\$740	\$1,355	As agreed	As agreed	Third parties
Grand Opening Advertising <sup>(12)</sup>	\$9,000	\$10,000	As agreed	As agreed	Third parties
<b>Total Estimated Initial Investment<sup>(14)</sup></b>	<b>\$14,708</b>	<b>\$21,023</b>			

**NOTES:**

(1) None of the fees payable to us or our affiliates are refundable.

(2) The initial franchise fee is \$35,000. The low end reflects a 20% discount that we provide to qualified veterans and parents of drowning victims. Dealers who are converting to a franchise will not pay an initial franchise fee franchise. We do not finance any fee.

(3) Your Business will initially be operated from your home. The low end of the end assumes that you have enough storage at your home to accommodate supplies and equipment. The high end assumes that you will rent a storage unit ranging in size from 250 to 300 square feet.

(4) This estimate includes the purchase or lease of a new or used vehicle that meets our standards, including required equipment, and signage. The low end assumes that you purchase or lease a used vehicle and the high end assumes that your will purchase or lease a new vehicle. These estimate include, a down-payment, the installed signage and wrap, tools and equipment, and lease or loan payments and insurance for first 3 months. For a Conversion Franchise, this estimate assumes that you already have a suitable vehicle with the necessary equipment, but you will incur expenses for installed our required wrap.

(5) The low end assumes that you already have a home office set up. The high end assumes that you will purchase office furniture and a printer. This estimate does not include a computer.

(6) This estimate include initial hardware costs ranging from \$500 to \$2,200; initial software costs to third parties of \$260 and initial software costs paid to us of \$200. This estimate also include the

first 3 months of Technology Fee paid to us of \$100 per month and monthly software fees to paid to third parties of \$336 per month.

(7) We estimate that the initial inventory that you must purchase from us will range from \$2,000 to \$5,000.

(8) This estimate is for local permits to operate our Business.

(9) This estimate includes costs for financial and legal advice, including setting up your business entity.

(10) The low end assumes prepayment of 6 months of a business liability policy; the high end assumes annual prepayment. This estimate does not include workers compensation insurance.

(11) There is no fee for our initial training for which consists of business training for 3 days and installation training for 5 days at our corporate site in Florida. This estimate is for travel costs for you to attend this training.

(12) When approved to start operating, you will conduct an opening marketing campaign to generate leads, awareness, and jobs. You will pay approximately \$9,000 of this estimate to our designated digital marketing vendors to conduct an introductory marketing campaign on your behalf in your market, including establishing your on-line presence, microsite, digital and social marketing activities. The balance of this estimate must be spent on local marketing activities in your community. The low end for a conversion franchise is the required \$3,000 per month that must be spent our designated marketing agencies on digital and social medial marketing during the first 3 months of operation. The high end includes an estimate of the costs of you continuing to conduct local marketing designed to general leads.

(13) This is our estimate of working capital during the first three months of operations. This estimate assumes you will not have employees, and the estimate does not include compensation for yourself or the assumption of revenue. It excludes royalty and system marketing fees. The range includes additional operating expenses such as telephone and bookkeeping services. In formulating this estimate, we have relied upon our affiliate's experience operating the affiliate-owned LSPF Business in West Palm Beach, Florida, as well as our affiliate's experience operating the LSPF Dealership network.

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

**Purchases from Us**

Currently, you are required to purchase our proprietary fencing line only from us or our affiliate. We and our affiliates reserve the right to be the sole or one of the Approved Suppliers for any products or services utilized in the operation of LSPF Businesses and/or to negotiate group purchasing, quality control or other benefits. During 2024, neither we nor our affiliates received any income from the sale of products or services to franchisees.

**Approved Suppliers**

You must purchase or lease all equipment, products, supplies and materials to perform Products and Services (the “**Materials**”) that meet our System Standards. You must use our designated provider of accounting and bookkeeping services. The Materials and other items will be specified in the Manuals from time to time. If required by the Manuals, you must purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate) (an “**Approved Supplier**”). In our sole discretion, we may concentrate purchases with one or more Approved Suppliers, to obtain lower prices, advertising support and/or other services, or for any other reason we deem appropriate. In such instances, we may limit the number of suppliers with whom you deal, designate sources that you will use, and refuse any request by you for another Approved Supplier of any applicable product or service. You agree to follow all of our policies and procedures for participation in or termination of any preferred vendor programs that we establish. We may receive rebates or other financial consideration from suppliers in consideration for our procurement and other services based upon franchisee purchases. If we do so, we have no obligation to pass these amounts on to you or to use them for your benefit.

If you want us to approve a new supplier, Material or service that you propose, you agree to submit to us sufficient written information about the proposed new supplier, Material or service to enable us to approve or reject either the supplier or the Material or service. We will have 90 days from receipt of the information to approve or reject the proposed new supplier, Material or service, and notify you of such approval or disapproval. We reserve the right, in our sole discretion, to (i) deny approval of any additional Materials or services, (ii) limit the number or scope or your use of the additional Materials or your ability to sell or provide additional services and/or (iii) condition approval of the additional Materials on the Approved Suppliers being the supplier of the additional Materials. You must pay to us a fee equal our actual costs incurred in evaluating the supplier or material within 30 days of your receipt of our notification of approval or disapproval to cover our costs and expenses in connection with our review of the additional Materials and the source of such Materials plus any out-of-pocket costs we incur (e.g., travel, shipping, etc.). Upon written request, we will make our Approved Supplier criteria available to you.

Other than our affiliate, LSPF Inc., owned by Eric Lupton and Chris Lupton, there are no suppliers in which any of our officers own an interest.

**Standards and Specifications**

You agree to develop and operate your LSPF Business in accordance with our standards and specifications. Our standards and specifications may regulate, among other things (a) a description of the authorized goods and services that you may offer at your LSPF Business; (b) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for LSPF Business; (c) mandatory reporting and insurance requirements; (d) mandatory and suggested specifications for your LSPF Business; and (e) a written list of goods and services

(or specifications for goods and services) that you will purchase for the construction of your LSPF Business and the development and operation of your LSPF Business, and a list of any designated or Approved Suppliers for these goods or services (which may include us or our affiliate). Our standards and specifications may impose minimum requirements for quality, use, cost, delivery, performance, design and appearance. We will notify you in our Manuals or other communications of our standards and specifications and/or names of Approved Suppliers.

To operate your LSPF Business, you must lease or purchase motor vehicles. All motor vehicles that you utilize in your LSPF Business must meet our System Standards and must be equipped and must meet our specifications for equipment, layout, appearance, décor and model. Some of the vehicles utilized by LSPF Businesses must be wrapped, and otherwise decorated in accordance with our System Standards which will include utilizing logos and designs that we specify or approve. We may require you to obtain equipment, wrapping and other decorative services for your motor vehicles from Approved Suppliers. You must also upgrade, maintain and replace your motor vehicles in accordance with the System Standards that we specify in the Manuals and otherwise from time to time, including appearance and signage. The vehicles you lease or purchase must not be older than 5 years at the time of purchase.

We estimate that required purchases from us or our affiliates, from Approved Suppliers, or according to our standards and specifications currently represent 43% - 45% of your total purchases in establishing your LSPF Business and 83% of your overall purchases in operating the Business. As more designated and approved suppliers are selected, these percentages decrease over time.

### **Computer Hardware and Software**

You must use the computer hardware and software and other communication equipment and technology that we designate in our Manual from time to time. We currently require you to use the business management system and accounting system that will be integrated with the business management system. ProfitKeeper and QuickBooks are currently the approved supplier for reporting and accounting software. You must also use our business portal provided, currently, through FranConnect.

### **Insurance**

You must obtain and maintain, at your own expense, the minimum insurance coverage that we require from approved insurance providers but must have an A M Best rating of not less than A-VII. You must enlist the services of a professional insurance agent or broker to obtain the types and amounts of insurance coverage we specify. We reserve the right to modify the amounts and types of coverage required at any time as risks change to protect the franchised business. You may not self-insure without our prior written consent. All policies will name us an additional insured/co-defendant, be primary and non-contributory and provide a waiver of subrogation in our favor. All liability policies will give us 30 days' notice of cancellation. You will need to provide us with a Certificate of Insurance as evidence of the required coverages being purchased at least 30 days prior to the opening of your franchised business, 10 days prior to any renewal of coverage and any time we request. If you do not provide us with a compliant Certificate of Insurance, we maintain the right but not the duty to place coverage on your behalf for which you will reimburse us immediately upon written notification. You will promptly pay us all premiums due in addition to any administration fee.

We may specify the insurers, vendors and coverage or require that you obtain it from us, or that you participate in an insurance program that we sponsor. If we do so, we may earn compensation, although we do not currently do so.

The minimum types and amounts of coverage that we currently require are as follows:

- Commercial General Liability – \$1,000,000 occurrence and \$2,000,000 aggregate including Products and Completed Operations for \$1,000,000 occurrence and \$2,000,000 aggregate, \$1,000,000 Personal & Advertising Liability, \$100,000 Tenant Legal Liability, \$10,000 Medical Payments;
- Property Insurance – to cover all tenant improvements and betterments, inventory and business personal property used in the franchise business for 100% of the replacement cost, business income coverage/extra expense coverage for at least 50% of your annual gross revenue or the actual loss you sustain. This policy will also cover any contractor’s equipment while on premises, transit or customer site;
- Automobile liability and physical damage coverage for all owned, hired and non-owned autos used in the franchised business for a limit of not less than \$1,000,000 Combined Single Limit;
- Workers’ Compensation for the statutory limit of the state in which your franchised business is located and Employer’s Liability of \$1,000,000;
- Employment Practices Liability of \$1,000,000 and naming us as Co-Defendant for any wrongful employment claims including third party discrimination and harassment of non-employees including Wage & Hour Defense coverage for \$100,000;
- Cyber Liability of \$1,000,000 aggregate for any cyber claim including but not limited to; ransomware, social engineering, data breach, identity theft, business interruption, bricking, crisis management and response expenses;
- Contractor’s Professional Liability Insurance of \$1,000,000 for claims of wrongful acts in the construction or design of a Life Saver Pool Fence system;
- Umbrella Liability of \$1,000,000 to come excess over the Commercial General Liability policy (including the Products Liability), Automobile Liability and Employer’s Liability;
- Any other insurance that is required by any Federal, State or local municipality of where your franchised business is located.

We may increase, decrease, or modify the above insurance requirements from time to time through the Manual or otherwise in writing.

### **Rebates**

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases. However, neither we nor our affiliates received any rebates based on purchases by franchisees during the fiscal year ended December 31, 2024. We intend to negotiate relationships with suppliers to enable our franchisees to purchase certain items at discounted prices. If we succeed, you will be able to purchase these items at the discounted prices that we negotiate (less any rebates or other consideration paid to us).

### **Revenue on Account of Franchisee Purchases**

As disclosed above, we are the sole approved supplier of our proprietary fencing line, which you must purchase from us or our affiliate. In the fiscal year ended December 31, 2024, our affiliate earned \$1,466,604 in revenue on account of franchisee purchases.

### **Miscellaneous**

There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or Approved Suppliers.

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**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 other items in this disclosure document.**

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 4.1	Item 7 & Item 11
b. Pre-opening purchases/leases	Sections 7.2, 8.4, and 9.1	Item 5, Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	Sections 4, 6, 7.2 and 11.1	Item 6, Item 7 & Item 11
d. Initial and ongoing training	Section 6 and Section 4 of the Conversion Addendum	Item 6 & Item 11
e. Opening	Sections 11.1 and 12.1	Item 11
f. Fees	Sections , 6, 8.4, 12.1, 16.3, and 17.5 and Section 3 of the Conversion Addendum	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manual	Sections 7.2, 8, 11 and 15.1	Item 11
h. Trademarks and proprietary information	Sections 10 and 18	Item 13 & Item 14
i. Restrictions on products/services offered	Sections 3 and 8	Item 16
j. Warranty and customer service requirements	None	Item 12
k. Territorial development and sales quotas	Section 3	Item 12
l. Ongoing product/service purchases	Sections 8.4	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 8.3, 11.3, 16.3, and 17.2	Item 11
n. Insurance	Section 11.9	Item 6 Item 7 & Item 8
o. Advertising	Section 12	Item 6, Item 7 & Item 11
p. Indemnification	Section 14.1	Item 6
q. Owner's participation/management/staffing	Sections 2.3, 11.8 and 13	Item 11 & Item 15
r. Records and reports	Section 15.3	Item 6
s. Inspections and audits	Sections 15.1 and 15.2	Item 6 & Item 11
t. Transfer	Section 16	Item 17
u. Renewal	Section 17	Item 17
v. Post-termination obligations	Sections 18.4, 18.5, 18.6, 18.7, 19.3, 19.4 and 19.5	Item 17

Obligation	Section in Agreement	Disclosure Document Item
w. Non-competition covenants	Section 18.5	Item 17
x. Dispute resolution	Section 24	Item 17

## Item 10 FINANCING

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

## 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 LSPF Business, we will:**

1. Approve any office or warehouse location for your LSPF Business in accordance with our criteria, which include location within your Territory, adequate storage for your inventory, adequate security, and, if your location will be customer-facing, other criteria like cleanliness in accordance with our brand standards. We will not select the site nor approve the area within which you may select a site; provided that the site for your office or warehouse must be within your Territory. We generally do not own the premises for franchisee offices or warehouses. We will approve or disapprove of any proposed site within 30 days after receiving all information that we have reasonably requested from you in order for us to evaluate the site. (Franchise Agreement, Section 3.2, 4.1). If you and we cannot agree upon an approved site, and therefore you do not commence operations within 90 days after signing the franchise agreement, we may terminate the franchise agreement without refunding any fees paid to us or our affiliates. (Franchise Agreement, Section 11.1).

2. Provide you with access to one copy of the Manuals, which will help you establish your LSPF Business. (Franchise Agreement, Section 8.1)

3. Provide you with written specifications for the goods and services you agree to purchase to establish your LSPF Business, as well as a written list of approved and/or designated suppliers for purposes of acquiring these goods and services. (Franchise Agreement, Section 11.3)

4. Provide an initial training program. (Franchise Agreement, Section 6.1)

5. Provide you with instructions for an opening campaign that consists of a variety of public relations, marketing and advertising initiatives, intended to publicize the opening of your LSPF Business. (Franchise Agreement, Section 12.1)

### **Time to Opening**

We anticipate that the typical length of time between the effective date of the Franchise Agreement and opening the LSPF Business franchise will be approximately 3 months. Conversion franchises will open on the effective date of their franchise agreement. Some of the factors that may affect this time are whether you operate from your home or from an office, financing, delayed installation of equipment and fixtures, completion of training, obtaining insurance, and complying with local laws and regulations.

You will not open your LSPF Business before: (1) successful completion of the initial training program; (2) you purchase all required insurance and provide us, at our option, with copies of such policies or evidence of coverage; (3) you obtain all required licenses, permits and other governmental approvals; and (4) you have acquired your vehicle(s). You must open your LSPF Business within 90 days after the effective date of the Franchise Agreement. We may terminate the Franchise Agreement if you fail to open within the prescribed time period.

**Post-Opening Obligations: During the operation of your LSPF Business, we will:**

1. Continue to provide you with access to one copy of the Manuals, to assist you in operating your LSPF Business. (Franchise Agreement, Section 8.1)

2. Give you ongoing guidance and assistance with the System Standards, marketing and sale of the Products and Services and products, coordinating the activities of all LSPF Businesses, establishing and conducting employee training programs; development and implementation of local advertising and promotional programs, furnishing information dealing with trends in Products and Services and any changes to the foregoing. (Franchise Agreement, Section 8.2). We are not obligated to assist with establishing prices, and we will not set minimum or maximum prices at which you must sell products or services.

**In addition, during the operation of your LSPF Business, we may, but will not be obligated to:**

1. Provide periodic additional or refresher training programs. (Franchise Agreement, Section 6.3)

2. Provide you with additional assistance at any location we designate in your Territory. (Franchise Agreement, Section 6.4)

3. Provide Manager Training if we determine that it is necessary. (Franchise Agreement, Section 6.5)

**TRAINING PROGRAM**

**Initial Training Program**

We or our affiliate will provide an initial training program for you (or if you are a Business Entity, your manager) for a period of approximately 6 days. The initial training program includes training concerning: (i) the marketing and sale of the Products and Services and products; (ii) the techniques, methods and procedures for providing the Products and Services; (iii) the operation of a LSPF Business; and (iv) installer training. There is no specific time period after signing the franchise agreement or before opening within which you must complete the initial training program; provided that, you (or if you are an entity, your manager, including any on-premises supervisor) must successfully complete our initial training program prior to opening your LSPF Business. The initial training program will be offered on an as-needed basis, but we are not obligated to offer the training program more than once per month.

<b>Subject</b>	<b>Classroom Hours</b>	<b>Hours of On The Job Training</b>	<b>Location*</b>
Agenda	0.25	0	Training Center
Expectations	0.25	0	Training Center
Water Safety	1	0	Training Center

<b>Subject</b>	<b>Classroom Hours</b>	<b>Hours of On The Job Training</b>	<b>Location*</b>
Tool Demo/Intro	1.5	0	Training Center
Product Demo	1	0	Training Center
Vehicle Specs	0.5	0	Training Center
Lunch (Day 1)	0.5	0	Training Center
Practices and Hands-On with Tools (cuts, slices, etc.)	0	4	Training Center or other location we designate
In-Field Training (Day 2)	0	5	On-Site location we designate
Lunch (Day 2)	0.5	0	Training Center
Roles and Responsibilities	0.5	0	Training Center
Pre-Opening	1	0	Training Center
Human Resources and FAQ	2	0	Training Center
In-Field Training (Day 3)	0	5	On-Site location we designate
Lunch (Day 3)	0.5	0	Training Center
Managing the Business	3	0	Training Center
In-Field Training (Day 4)	0	4	On-Site location we designate
Lunch (Day 4)	0.5	0	Training Center
Estimating/Sales	4.5	0	Training Center
In-Field Training (Day 5)	0	4	On-Site location we designate
Lunch (Day 5)	0.5	0	Training Center
Marketing	2.5	0	Training Center
Review of Installation Procedures	2.5	0	Training Center
Take Home Final Exam		0	At trainee's home
Practical Final Exam	0	—	Training Center or location we designate
Graded Written Exam	—	0	Training Center or location we designate
<b>Totals</b>	<b>23</b>	<b>22</b>	

\*Our Training Center is located in Delray Beach, FL.

The time periods allocated to the subjects listed above are approximations, and the time actually invested by you and your personnel may vary based on the experience and performance of those persons being trained. On-the-job training will occur on an as-needed basis as part of the initial training program. The instructional materials used in the initial training will consist primarily of our Manuals and other handouts, and lectures. You will not be charged an additional fee for any of the training materials.

Our training is conducted by Eric Lupton, Chis Lupton, Rich Specht, Casey Buckley, and Javier Padilla. Eric Lupton has been the CEO and President of our affiliate, LSPF Inc. for over 22 years. Christopher Lupton has 17 years' experience with LSPF Inc. working in different roles. Rich Specht has been an educator for over 26 years and is a water safety expert and advocate. Casey Buckley has been a co-owner of LSPF South Florida for 11 years and has experience as an installer as well as running the business. Javier Padilla has worked for LSPF Inc. for the past 3 years, and trains fence installation, product and services, and water safety. Javier has over 32 years' experience in business development.

## **Ongoing Training**

In order to maintain the uniformity and high standard of goods and services provided by LSPF Business franchisees, we may provide periodic additional or refresher training programs (“**Additional Training**”) for you, your manager, or other key employees. You will be responsible for all expenses and costs that your trainees incur, including wages, travel and living expenses.

From time to time, we may provide you additional assistance at any location we designate within your Territory. If we do provide you additional assistance, you agree \$400 per day per person that we provide, plus travel, meals and lodging for them.

## **Manuals**

As of the date of this disclosure document, the Manuals contain a total of 204 pages. A copy of the Table of Contents to the Manuals is attached to this disclosure document as Exhibit “C”.

## **Site Development**

Your business will operate from your home which must be within your Territory and meet applicable zoning requirements. You may need to rent a storage unit for your equipment and supplies.

## **Computer System**

You must, at your expense, acquire, license and use in developing and operating your LSPF Business a computer system consisting of the computer services, components, equipment, computer hardware, telecommunications equipment or services, and the software used in connection with the billing, bookkeeping, administration, collections, and other back room services, data research, client relationship management and other operating or communications software we designate or approve for use by LSPF Businesses (collectively, the “**Software**”) that we periodically specify in the manner we designate (collectively, the “**Computer System**”).

We may require you to obtain specified computer and communications hardware, equipment, components or Software and services and may modify specifications for and components of the Computer System from time to time. Current Software requirements include: Quickbooks, ProfitKeeper, FranConnect, HouseCall Pro, and certain required home service booking and invoicing software.

The data generated and stored on the Computer Systems will including financial data, bookkeeping data, customer data and information, and related business and operational data. While we will not generally have independent remote access to your Computer Systems, we will have remote independent access to certain financial, bookkeeping, and customer data stored in a “cloud” or network-based format. There are no contractual limitations on our right to access this information.

We estimate that the cost of the computer system will be approximately \$960 to \$2,660.

Neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. You agree to maintain the computer hardware and software in good working order at your cost. During the term of your franchise agreement, you agree if requested to upgrade or update your computer hardware and/or software to conform to our then-current specifications. There is no contractual limit on the frequency or cost of this obligation. We estimate that the cost to upgrade or update your computer hardware and/or software will not exceed \$1,000 per year. You are also responsible for priority cabling and all networking services related to the Computer System. Except as described above,

there currently are no optional or required support contracts. We reserve the right to change the software or technology that you agree to use or add new software or technology at any time.

## **Websites**

We have the right to control all use of URL's, domain names, websites, addresses, metatags, links, key words, e-mail addresses, social media accounts or platforms, and any other means of electronic identification or origin ("**e-names**"). We also have the right to designate, approve, control or limit all aspects of your use of the Internet, Intranet, World Wide Web, social media, wireless technology, digital cable, use of e-names, e-mail, websites, home pages, bulletin boards, chatrooms, e-mail, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "**e-commerce**"). You must follow all of our policies and procedures for the use and regulation of e-commerce. We may require that you provide graphical, photographic, written or other forms of artistic or literary content to us for use in e-commerce activities associated with the Marks, the Copyrights or the System which we may designate. We may restrict your use of e-commerce to a centralized website, portal or network or other form of e-commerce designated by us operated by us or our designee. You must not create your own website. We currently will monitor and maintain it as part of the Technology Fee. We may require that you provide information to us via e-commerce. We may require you to coordinate your e-commerce activities with us and other LSPF Businesses. We may require you to obtain the services of and pay the then current fees for ISP and ASP services and the like. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Marks or the Copyrights, including any customer data, click-stream data, cookies, user data, hits and the like: such information is deemed by us to be and constitutes our Confidential Information.

## **Advertising and Marketing**

### *Our General Advertising Obligations*

We are not obligated to conduct advertising; however, we intend to advertise through our System Fund, described below. We may use various forms of media, including print, television, radio, Internet, social media and "pay-per-click", billboards, and other forms of media described below. Media coverage will be national, but we may focus advertising regionally or locally as we determine commercially appropriate, especially to account for seasonality. We may produce advertising materials in-house or by engaging third-party advertising agencies or consultants. We are not obligated to spend any amount on advertising in your Territory.

### *Establishment of System Fund*

Recognizing the value of advertising and marketing to the goodwill and public image of LSPF Businesses, we have established a system-wide marketing fund (the "**System Fund**") for such advertising, marketing and public relations programs and materials we deem necessary or appropriate. We reserve the right to defer or reduce System Fund Contributions of a LSPF Business Franchisee and, upon 10 days' prior written notice to you, to reduce or suspend contributions to and operations of the System Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the System Fund. If the System Fund is terminated, all unspent monies on the date of termination will be distributed to our Franchisees in proportion to their respective contributions to the System Fund during the preceding 12-month period. We and our affiliates will contribute to the System Fund on the same basis as franchise owners for any LSPF Business we or

they own and operate. Currently, you must contribute 1% of your monthly Gross Sales to the System Fund; however, we may increase this amount to up to 3% of your monthly Gross Sales.

#### Use of the Funds

We or our designee will direct all programs financed by the System Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the System Fund may be used to pay the costs of preparing and producing video, e-commerce, audio and written advertising materials; developing and servicing corporate accounts; evaluating new products or services; research and development of marketing materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, direct mail and other media advertising and employing advertising, promotion and marketing agencies; and supporting public relations, market research, establishing, developing, maintaining, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities (including Google and words for franchisees). The System Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges. The System Fund will not be used to solicit new franchise sales. Because this is our first year selling franchises, the System Fund did not have any expenditures in our most recently concluded fiscal year.

#### Accounting for the Fund

The System Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the System Fund. The System Fund will not be audited. We may spend, on behalf of the System Fund, in any fiscal year an amount greater or less than the aggregate contribution of all LSPF Businesses to the System Fund in that year, and the System Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the System Fund will be used to pay advertising costs before other assets of the System Fund are expended. Upon written request from you, we will prepare a periodic statement of monies collected and costs incurred by the System Fund and furnish the statement to you. We have the right to cause the System Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in the franchise agreement.

#### System Fund Limitations

You acknowledge that the System Fund will be intended to maximize recognition of the System, the Marks, the Copyrights and LSPF Businesses. Although we will endeavor to utilize the System Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all LSPF Businesses, we undertake no obligation to ensure that expenditures by the System Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Fund by LSPF Businesses operating in that geographic area or that any LSPF Business will benefit directly or in proportion to its contribution to the System Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this section, we assume no direct or indirect liability or obligation to you with

respect to collecting amounts due to the System Fund. In addition, we are not obligated to spend any amount on advertising in your Territory, whether through the System Fund or otherwise.

Local Advertising

You must spend a minimum of \$2,800 each month on local marketing, promotion and advertising, not including payments to the System Fund. This requirement will not begin until your 4th month of operation. We may, from time to time, increase or decrease this local advertising and promotion requirement to account for regional difference related to seasonal demand for Products and Services. These regional adjustments may differ among LSPF Businesses. We reserve the right to increase the minimum local advertising and promotion requirement (whether on a regional basis as described in the previous sentence, or across the entire System) by up to 15%, but not more than one time per year. You agree that any advertising, promotion and marketing you conduct will (i) be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time and (ii) conform to such standards and requirements as we may specify to conform to regulatory requirements. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within 10 days after our receipt of such materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved.

Advertising Cooperatives

There are currently no advertising cooperatives. If an association of LSPF Businesses is established in a geographic area in which your LSPF Business is located (the “Co-op”), you must join and actively participate in it. You also must contribute to the Co-op such amounts as are determined from time to time by it, not to exceed \$2,000 per month (which maximum amount we may increase annually by up to 15%), unless the Co-op votes for a higher amount. Your local advertising requirement will be reduced by the amount that you contribute to any Co-op. We will not set the amount of those contributions. The Co-op will adopt its own rules, regulations and procedures, which you must follow. However, the rules, regulations and procedures of the Co-op must be approved by us. All advertising utilized by the Co-op must not be used unless and until we have reviewed and approved it. The Co-op will use our mandated accounting system and also pay us any accounting system fee we may designate in the Manuals. We also have the right to participate in any meetings of the Co-op and its members. Our company-owned Businesses will be voting members or any Co-op in their market. Your failure to timely contribute the amounts required by the Co-op constitutes a material breach of the provisions of this Agreement and we may offset against any amounts we owe to you the amount of your Co-op contributions and pay such contributions for you. We do not have a formal franchisee council or association.

During the year ending December 31, 2024, System Fund monies were spent 100% on media placement.

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## Item 12

### TERRITORY

#### Territory

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. You may also face competition from other LSPF Dealerships. See Item 20 for states where LSPF Dealerships are located.

During the Term, we will neither grant anyone else the right to, nor ourselves, operate a LSPF Business by marketing, promoting, providing or performing Products and Services within the Territory except in compliance with our Multi-Market Accounts Program and our Cross-Territory Policy. In return, you must not market, sell, promote, provide or perform Products and Services outside of the Territory without our prior written consent, except in an Open Area or in compliance with our Cross-Territory Policy. A “**Territory**” is a geographic area that is built using U.S. ZIP Code boundaries and contains a minimum of 100,000 households with an average Household Income of \$100,000 or greater. Continuation of your Territory is not dependent upon achieving any sales volumes, market penetration or any other contingency.

The franchise is for a location to be approved by us. Any and all offices, warehouses or other sites for your LSPF Business must be located within the Territory and must be pre-approved by us. However, we are not required to provide any assistance to you in the selection of a site. You may not relocate or open additional sites for your LSPF Business without our prior written approval, which we will not unreasonably withhold. Our criteria for approving the relocation of your LSPF Business is the same as for approving the initial site for your LSPF Business: the site must be located within your Territory, it must have adequate storage for your inventory, adequate security and, if your location will be customer-facing, it must meet other criteria like cleanliness in accordance with our brand standards.

You must generate at least the following Gross Sales per 12-month period from the Commencement Date:

<b>Period</b>	<b>Minimum Gross Sales</b>
Months 1 through 12	None
Months 13 through 24	\$162,500
Months 25 through 36	\$211,250
Months 37 through 48	\$275,000
Months 49 through 60	\$357,000

We may terminate the franchise agreement and your franchise if you fail to meet these minimum performance standards.

#### Open Areas

You may perform (but not market, promote or advertise) Products and Services in any geographic area that we have not awarded or designated to another LSPF Business or reserved for us (“**Open Areas**”); provided that, work in such Open Areas does not, in the aggregate, constitute 10% of more of your annual Gross Sales. You acknowledge that we may grant exclusive territorial rights to anyone in any geographic area other than your Territory with no obligation or compensation to you whatsoever. We may do so at any time (without any compensation to you) so that your operations outside of your Territory (e.g., in Open Areas) are at your own risk. If we award or designate any Open Area to any other LSPF Business, or to us,

that geographic area will no longer be an Open Area and you must immediately cease conducting any part of your LSPF Business activities in that former Open Area. We will notify you via e-mail if the Open Area is no longer available for you, identifying the Franchisee or specifying whether we are reserving it for us or our affiliates.

Except for the limited sales of Products and Services in Open Areas described above, you may not solicit or accept orders from outside your Territory, nor may you perform or sell Products and Services outside your Territory. You may not use any alternative channels of distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing), to make sales outside of your Territory.

### **Multi-Market Account Program**

We anticipate devoting resources to developing a multi-market or regional accounts program for the benefit of both our affiliated businesses and those operated by other LSPF Businesses (the “**Multi-Market Accounts Program**”). A “**Multi-Market Account**” is a client that we designate for participation in the Multi-Market Accounts Program that operates under common ownership or control, under the same trademarks or service marks through independent franchises or some other association, at multiple locations, or that we otherwise consider as a client or potential client in multiple geographic areas. The locations of some of the Multi-Market Accounts may be in your Territory. Regardless of any contrary provision of the Franchise Agreement, you and we agree as follows:

You agree that we or our designee may solicit current or potential clients located in your Territory, whether or not you currently market or sell Products and Services to them, to develop them as Multi-Market Accounts. We or our designee may do so without violating any of your territorial rights as described in the Franchise Agreement. We may market and sell Products and Services to such Multi-Market Accounts in your Territory.

You must use your commercially reasonable best efforts to market and sell the Products and Services for your LSPF Business that we may designate to Multi-Market Accounts located in your Territory on the terms and conditions we specify. These terms may vary for each Multi-Market Account depending on the circumstances. We may require that you coordinate your efforts with other LSPF Businesses with respect to a Multi-Market Account.

At your option, you may decide not to market and sell the Products and Services to one or more of the Multi-Market Accounts in your Territory. You recognize that some Multi-Market Accounts, for whatever reason, may decide that they do not want to do business with you. If that happens, we will cooperate with you to the fullest extent practicable to resolve the Multi-Market Account’s concerns. However, if after we exercise what we believe to be reasonable efforts to rectify the problem, the Multi-Market Account continues to refuse to do business with you, then you agree that we or any other LSPF Business we designate may market and sell the Products and Services to that Multi-Market Account in your Territory. If, for any reason, you do not, or are unable to, provide Products and Services to a Multi-Market Account in your Territory, you are not entitled to receive any consideration or compensation on account of us, our affiliates, or any other franchisee or third-party, providing Products or Services to that Multi-Market Account in your Territory.

For purposes of coordinating efforts and results of Multi-Market Account programs, you must timely provide us with copies of all reports, forms and notices relating to the marketing and sale of Products and Services to Multi-Market Accounts that we may specify from time to time. You also agree to coordinate with us any solicitations you conduct that may have potential for development as Multi-Market Accounts.

We will establish the terms and conditions, including pricing, for Multi-Market Accounts. You must honor those terms and conditions in providing Products and Services to them. In addition, Multi-Market Accounts may prefer that we handle the billing and collection for all Products and Services performed for them. In that case, we will perform the billing and collection on those Multi-Market Accounts and, before remitting payment to you, apply any amounts that you owe to us (including any Royalties, System Fund Contributions or other amounts due us relating to such Multi-Market Account transactions), and offset any other amounts due us. We will provide you with an explanation accounting for any reductions from the payments due you resulting from a Multi-Market Account. We may charge a reasonable referral fee or administrative fee related to Multi-Market Accounts serviced in your Territory.

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.

### **Cross-Territory Policy**

We may adopt a Cross-Territory Policy which governs your marketing and sale of Products and Services within another franchisee's territory. You: (i) will abide by the Cross-Territory Policy as adopted from time to time by us; and (ii) acknowledge that we may change, replace and modify the Cross-Territory Policy from time to time to reflect market conditions and other factors. Nevertheless, you must focus the predominant amount of your marketing activities within the Territory.

### **Reserved Rights**

We (and our affiliates) retain the rights to do any or all of the following, in our sole discretion:

(a) perform, market, promote, sell and provide through affiliate owned businesses or through independent contractors, any Products and Services or similar products or services authorized for LSPF Businesses in any location including in your Territory, but not using the Marks;

(b) perform, market, promote, sell and provide any Products and Services in your Territory using the Marks for Multi-Market Accounts or in accordance with the Cross-Territory Policy;

(c) perform, market, promote, distribute and sell through alternative wholesale and retail channels, including the internet and e-commerce platforms, products for others to use to perform services the same or similar to Products and Services for themselves or others, whether or not using the Marks anywhere, including within your Territory (provided that this paragraph (c) does not give us the right to operate or license another LSPF Business in your Territory);

(d) operate and grant to others the right to operate LSPF Businesses outside your Territory on such terms and conditions as we deem appropriate;

(e) operate and grant franchises to others to operate businesses, wherever located including within your Territory, specializing in the marketing and sale of products or services other than Products and Services, including the marketing and sale of products or services whether or not using the Marks, and pursuant to such terms and conditions as we deem appropriate;

(f) market, promote, advertise, schedule and take orders for quotations, estimates or to schedule Products and Services to be sold or performed anywhere, including in your Territory, via the internet, call service centers or social media;

(g) operate call center services on behalf of ourselves and all Franchisees, if we determine to do so, which would include communications with customers in your Territory and booking appointments, jobs and projects;

(h) market, promote and advertise Products and Services whether or not using the Marks or Copyrights anywhere including in you Territory; and

(i) engage in any activity that we are not otherwise expressly prohibited from engaging in by the terms and conditions of this Agreement and/or that is not exclusively granted to you pursuant to the Franchise Agreement (anything not expressly granted by us to you is reserved by us).

You are not entitled to any consideration or compensation for us soliciting or accepting orders for Products and Services or any other products or services within your Territory.

### **Options, Rights of First Refusal, Similar Rights**

You will not have any options, rights of first refusal, or similar rights to acquire additional franchises.

### **Operation of a Competing Business**

Neither we nor our affiliates operate or have any plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer.

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## Item 13

### TRADEMARKS

The Franchise Agreement grants you the right to operate a LSPF Business under the trademark and service mark “LIFE SAVER POOL FENCE®” and related trademarks, service marks, logos and commercial symbols, and to use any future Marks we authorize. You agree to use the Marks in strict accordance with the Franchise Agreement and the Manuals.

The status of the registration of the following Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”) by Live Saver Pool Fence Systems, Inc. is as follows:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
	5766827	June 4, 2019

We have the right to use and license the use of the Marks to franchisees under a License Agreement with LSPF, Inc. The License Agreement provides that LSPF, Inc. has the right to specify, inspect, and oversee the quality standards of our services and products to assure the protection, enhancement, and goodwill of the Marks. The License Agreement is of perpetual duration and will remain in effect unless terminated by us or Live Saver Pool Fence Systems, Inc. If we breach the License Agreement, or if the License Agreement is otherwise terminated, you may lose your rights to use the Marks.

You agree to follow our rules when using the Marks and not use our name or Mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You may not use the Marks in connection with the sale of any product or service that is not previously authorized by us in writing.

We reserve the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that substitution will be beneficial to the System. If we do, you agree if requested to discontinue or modify your use of any Mark or use one or more additional or substitute Marks, at your expense. You agree to comply with our directions within the time period prescribed in our notice. We will not be obligated to reimburse you for any expenses or loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

You agree to notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You agree to not directly or indirectly contest our or our Parent’s right to the Marks. We will indemnify you against and reimburse you for all damages for which you are held liable to third parties in any proceeding arising out of your authorized use of any Mark and in compliance with your franchise agreement, resulting from claims by third parties that your use of the Marks infringes their trademark, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with the terms of your franchise agreement.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions

or cancellations; and no pending material litigation involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks. All required affidavits have been filed. All Marks have been renewed (where applicable). There is currently no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

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

**Patents**

Eric Lupton, our principal owner, owns the following patent rights:

- Patent 10,316,539 B2 Filing Date January 27, 2016 Mechanical/Design Patent for Reinforced Pole for a Swimming Pool Safety Barrier Fence (the “**539 Patent**”)

This patent is for the reinforced pole, mount and mesh panel fence structure used in our original Life Saver Pool Fence® and other the Life Saver Pool Fence® products required to be sold and installed by your LSPF Business.

For the one patent issued to date and for any future patents issued, our Eric Lupton or any other affiliate that owns the patents will grant us an oral perpetual license to use the patents and license others to do so. You will use methods and materials described in the patents. Our right to practice or license the patents, if and when issued, is not materially limited by any other agreement or known infringing use. We are not required by any agreement to protect or defend the patents, although we will do so when this action is in the best interests of the Life Saver Pool Fence® System, as determined by us.

Other than as disclosed in the following paragraph, there are no currently effective material determinations of, nor any pending material proceedings in, the USPTO or any court, regarding the patents, nor are there any agreements currently in effect which significantly limit our right to use or authorize you to use the patents. Further, there are no infringing uses actually known to us which could materially affect your use of the patents in any state. However, pursuant to an agreement with a former Life Saver Pool Fence® dealer based in Arizona, we agreed not to bring an infringement action against the former dealer related to the ‘539 Patent.

Eric Lupton has filed a reissue application for the ‘539 patent in the U.S. Patent and Trademark Office. This application has been assigned application number 17/945,588 (“the ‘588 application”). In the ‘588 application, the applicant is pursuing claims narrower in scope than those of the ‘539 patent. The U.S. Patent and Trademark Office has not yet issued an Office Action in the ‘588 application and has not otherwise made any determination regarding the allowability of the claims being prosecuted. In the event that a patent issues from the ‘588 application, the ‘539 patent will be surrendered.

You must immediately notify us of any apparent infringement or challenge to your use of any patent, or claim by any person of any rights to the patents, and you must not communicate with any person other than us and our legal counsel in connection with any infringement, challenge or claim. We have sole discretion to take any action we deem appropriate and will have the right to control exclusively any litigation or USPTO or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to the patents. You must execute any documents, provide assistance, and take such action as, in the opinion of our counsel, may be necessary or advisable to protect our interest in any litigation or USPTO or other proceeding or otherwise to protect our interest in the patents. At our sole discretion, we will be entitled to prosecute, defend or settle any proceeding arising out of your use the patents, and, if we decide to prosecute, defend or settle any such matter, we will have no obligation to indemnify or reimburse you for any fees or disbursements of any counsel retained by you.

We are not obligated to protect your rights to use the patents or to protect you against claims of infringement or unfair competition, although we intend to do so when it is in the best interests of the Life Saver Pool Fence® System, as determined by us. We are not obligated to participate in your defense and/or

indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the patents if the proceeding is resolved unfavorable to you.

### **Copyrights**

Although we have not filed an application for copyright registration for the Manuals, we do claim a copyright to the Manuals. During the term of your Franchise Agreement, you are allowed to use our proprietary information relating to the development, marketing and operation of a LSPF Businesses, including, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

You agree to maintain the confidentiality of all of our proprietary information and use it only in strict accordance with the terms of the Franchise Agreement and the Manuals. You agree to promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our proprietary information. We will indemnify you against and reimburse you for all damages for which you are held liable to third parties in any proceeding arising out of your authorized use of copyrights, in compliance with your franchise agreement, resulting from claims by third parties that your use of the Copyrights infringes their copyright rights, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with the terms of your franchise agreement. There are no infringements that are known by us at this time.

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**Item 15**  
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION**  
**OF THE FRANCHISE BUSINESS**

We have granted the franchise to you on the assurance that it will be managed by an active owner/operator. Accordingly, you or your principal owner must be actively involved in the management of all aspects of your LSPF Business, or by a manager that we have approved from time to time. Although you may delegate some of your duties under the Franchise Agreement to your subordinate managers or employees, you remain fully responsible for your and their performance. You must use your best efforts to ensure your personnel do not cause a breach of the Franchise Agreement. You, your principal owner, and any manager that we have approved (including any on-premises supervisor), must successfully complete initial training. On-premises subordinate managers are not required to own any equity interest in your business entity.

If you are a business entity (e.g., corporation, partnership or corporation), each of your owners that are active in the LSPF Business at any time during the Term and any owner that has a beneficial ownership interest of 10% or more in you, must personally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. This includes both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. The form of “**Principal Owner’s Guaranty**” is attached as Exhibit “H.”

You also agree to complete and deliver to us a “**Principal Owner’s Statement**” in the form attached as Exhibit “G,” which describes all of your owners and their interests in you.

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**Item 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You agree we have the right to approve all goods and services that you sell at or through your LSPF Business. You agree to offer all goods and services that we require. You may not sell any goods or services that we have disapproved. We have the unrestricted right to change the goods and/or services that you have agreed to sell as part of your LSPF Business at any time in our sole discretion, and you will comply with any such change.

All products and services you use, offer or sell at your LSPF Business will conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You also must comply with all applicable laws and regulations and secure all governmental approvals for the operation of your LSPF Business.

We may periodically modify System Standards, and any such modifications may obligate you to invest additional capital in your LSPF Business and/or incur higher operating costs. Such modifications will not alter your fundamental status and rights under your franchise agreement. You must comply with all modifications to System Standards within the time period we specify. You must repair, replace or refurbish your equipment, vehicles or trailers to meet our System Standards. In addition to your obligation to maintain all vehicles and equipment to meet our System Standards, you must make any upgrades and replacements of any equipment, computer hardware or software specifications as we require from time to time. We may also periodically require you to renovate the trade dress used on your vehicles, marketing materials, or at your business office. These updates may require you to implement new color schemes, signage, marketing materials or other visual elements. You must adapt to all of these upgrade requirements within 60 days of our notice to you to do so.

All advertising, promotion and marketing will (i) be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time and (ii) conform to such standards and requirements as we may specify to conform to regulatory requirements. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them.

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**Item 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

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

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Sections in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 2.2	Term is 5 years.
b. Renewal or extension of the term	Sections 17.1	You will have the right to acquire a successor franchise for 3 additional 5-year periods on the terms and conditions of our then-current franchise agreement.
c. Requirements for franchisee to renew or extend	Section 17	You agree to: (1) not be in default; (2) give us notice during the last year of the term of your franchise, but no later than 180 days before expiration; (3) enter into our then-current form of franchise agreement and related documents; (4) enter into a general release; (5) pay successor franchise fee; (6) remodel or upgrade your LSPF Business to comply with our then-current standards and specifications. If you renew, you may be required to enter into an agreement with materially different terms and conditions than the original agreement.
d. Termination by franchisee	Not applicable.	Not You may terminate for any reason allowed under the law.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 19.2	We can terminate immediately upon notice to you if you default.
g. "Cause" defined - curable defaults	Section 19.1 and 19.2	30 days after notice to cure any material breach of the franchise agreement. 15 days after notice to you to cure payment defaults to us, our affiliates or your suppliers of vendors.
h. "Cause" defined - non-curable defaults	Sections 3.6 and 19.2	If: (a) you make any material misrepresentation or omission to us in relation to our continuing business relationship; (b) you are convicted of, plead no contest or enter into a consent decree in connection with, any felony or other crime that is likely to adversely affect your reputation, our reputation or otherwise involving any breach of trust; (c) you engage in dishonest or unethical conduct which may adversely affect the reputation of the LIFE SAVER POOL FENCE® System or the goodwill associated with the Marks; (d) a court declares invalid or unenforceable any part of your franchise agreement relating to either (i) the payment of fees or royalties or (ii) the preservation of the Marks; (e) you make any assignment of your franchise agreement; (f) you fail to obtain or maintain

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Sections in Franchise Agreement</b>	<b>Summary</b>
		any required licenses, permits or registrations; (g) you fail to make payments of any amounts due to us, our affiliates or your suppliers or vendors; (h) you repeatedly fail to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement; (i) you make an unauthorized transfer ownership or control of your LSPF Business; (j) you engage in unauthorized use, duplication or disclosure of any Confidential Information; (k) you file bankruptcy or otherwise make an assignment for the benefit of creditors or experience any act of insolvency; (l) you fail to attain Minimum Quality Assurance Standards; (m) you fail to commence operations of your LSPF Business within the time limits otherwise required by this Agreement; or (n) you fail to meet the minimum Gross Sales requirements described in Section 3.6 of the Franchise Agreement.
i. Franchisee's obligations on termination/non renewal	Section 19.3	Obligations include complete de-identification, cease use of intellectual property, return of Manuals and all branded materials, return of software, assignment of vendor or supplier contracts, assignment of telephone numbers and directory listings, and payment of amounts due (also see "r" below).
j. Assignment of contract by franchisor	Section 16.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 16.2	Includes voluntary or involuntary, direct or indirect, assignment, sale, gift or other disposition of any interest in your franchise agreement, you or your LSPF Business.
l. Franchisor approval of transfer by franchisee	Sections 16.2 and 16.3	We have the right to approve all other transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 16.3	Transferee must meet our qualifications, successfully complete training (or commit to do so), enter into a new franchise agreement for the remainder of the term, agrees to upgrade the LSPF Business to our then-current standards and specifications. You must be in compliance with your franchise agreement, pay us the Transfer Fee, and sign a general release, sign a subordination agreement, and sign a non-competition agreement. We notify you that we do not intend to exercise our right of first refusal.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16.8	We have the right to match any bona fide, arms-length offer for your LSPF Business.

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Sections in Franchise Agreement</b>	<b>Summary</b>
o. Franchisor's option to purchase franchisee's business	Not applicable.	Not applicable.
p. Death or disability of franchisee	Sections 16.5 & 16.6	Franchise must be assigned by estate to an assignee in compliance with conditions for other transfers not less than 1 month but not more than 6 months from the date of death or disability. A qualified manager must be appointed within 30 days of death or disability. We may designate a manager to operate the Business prior to transfer and charge a management fee.
q. Non-competition covenants during the term of the franchise	Section 18	No involvement in competing Business (i) anywhere; (within your Territory; within any geographic territory (ii) within your Territory; (iii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iv) via the Internet or other form of e-commerce, wherever located; or (v) within 25 miles of any geographic area that we have awarded to any other LSPF Business and comply with non-solicitation and non-disclosure covenants. No solicitation of other LSPF Businesses' strategic partners, clients, customers, referral sources, employees or independent contractors to accept employment or an affiliation involving work competitive with an LSPF Business. No solicitation or interference with businesses, customers, clients, referral sources, insurers, suppliers, or contractors with whom we (or our affiliates) do business or whom you know we have contacted or solicited for business relationships, or those of any of our affiliates or Franchisees.
r. Non-competition covenants after the franchise is terminated or expires	Section 18	No involvement for 2 years in competing business (i) within your Territory; (ii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 25 miles of any geographic area that we have awarded to any other LSPF Business as of the date of termination or expiration of your franchise agreement; comply with non-solicitation and non-disclosure covenants; cease use of intellectual property and comply with non-solicitation and non-disclosure covenants. For a period of 2 years following termination or expiration of the franchise agreement: (i) no solicitation of other LSPF Businesses' strategic partners, clients, customers, referral sources, employees or independent contractors to accept employment or an affiliation involving work competitive with an LSPF Business; (ii) no solicitation or interference with

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Sections in Franchise Agreement</b>	<b>Summary</b>
		businesses, customers, clients, referral sources, insurers, suppliers, or contractors with whom we (or our affiliates) do business or whom you know we have contacted or solicited for business relationships, or those of any of our affiliates or Franchisees.
s. Modification of the agreement	Sections 8 and 24.12	Requires writing signed by both parties (except for unilateral changes to Manuals or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws.
t. Integration/merger clause	Section 24.12	<p>Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.</p> <p>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.</p>
u. Dispute resolution by arbitration or mediation	Not applicable.	Not applicable.
v. Choice of forum	Section 24.7	All litigation must take place in county where we maintain our principal place of business (currently, Palm Beach County, Florida) at the time the dispute arises (subject to applicable law).
w. Choice of law	Section 23.6	Florida law (subject to applicable law).

Please refer to any disclosure addenda and contractual amendments appended to this disclosure document or the Franchise Agreement for additional terms that may be required under applicable state law. Please note, however, that if you would not otherwise be covered under those state laws by their own terms, then you will not be covered merely because we have given you an addendum or rider that describes the provisions of those state laws.

**Item 18  
PUBLIC FIGURES**

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

**Item 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information and the information is included in the disclosure document. Financial performance information that differs from that included in this 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 performance at a particular location or under particular circumstances.

The following financial performance representation shows certain historical information and projected gross revenue and gross profit based on a survey of certain LSPF Dealerships conducted in 2024. There were 67 total LSPF Dealerships at the time of the survey. We have excluded from the survey 30 LSPF Dealership that purchased less than \$50,000 worth of fencing from us in the previous fiscal year. We consider these dealers to be either inactive or operating on a part-time basis, which is substantially different from the full-time business to be operated by franchisees. Of the remaining 37 LSFP Dealerships (55% of the 67 total LSPF Dealerships) (the “**Full-Time Dealers**”), 31 responded to our survey (46% of the 67 total LSPF Dealerships and 84% of the Full-Time Dealers).

Our survey asked Full-Time Dealers to provide the following actual historical information for the 2024 calendar year: (1) the average job size, measured in feet of fencing; (2) the average price per foot of fencing charged to the customer; (3) the average cost of shipping per job; and (4) the average number of jobs completed per week. The survey results in Table 1 show the following averages, highs, lows and medians and the number and percent exceeding the average. Table 1 also presents the same information for our affiliate-owned location.\*

*Table 1*

		<i>Average Job Size (in feet of fencing)</i>	<i>Average Price (per foot of fencing)</i>	<i>Average Shipping Cost (per job)</i>	<i>Average Number of Jobs Per Week**</i>
1.	<i>Average</i>	109	\$25.70	\$150	3.5
2.	<i>High</i>	150	\$35	\$325	10
3.	<i>Median</i>	120	\$24	\$142.50	3.5
4.	<i>Low</i>	35	\$21	\$50	1
5.	<i>Number and Percent that met or exceeded the average</i>	16 (53%)	13 (43%)	15 (50%)	16 (53%)
6.	<i>Affiliate-Owned Outlet</i>	88	\$15	\$0 <sup>†</sup>	19

\*The data presented in rows 1 through 5 of this Table 1 exclude the survey results from the one affiliate-owned outlet. Instead, The specific survey results for this outlet are separately presented in row 6 of this Table 1.

\*\*Average Jobs Per Week is subject to seasonality. Generally, LSPF Dealerships reported more jobs in summer months, especially in states with cold winter climates.

† The affiliate is located close to us and doesn't bear any shipping costs.

**Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

Based on the survey results presented in Table 1, and including our affiliate-owned outlet, we project the following annual gross revenue and gross profit:

***Table 2 – Projected Franchisee Gross Revenue and Gross Profit***

<i>Fencing Installed per Year (in feet)</i>	<i>Gross Revenue</i>	<i>Cost of Materials</i>	<i>Gross Profit</i>	<i>Imputed Franchise Fees and Expenses</i>	<i>Gross Adjusted Profit</i>
21,800 feet	\$554,592.00	\$255,528.00	\$299,064.00	\$57,083.68	\$241,980.32

For these figures, we project that full-time franchisees will operate for 50 weeks per year. While franchisees in colder climates might operate for less than that, this seasonality is accounted for in the average figures presented in Table 1 and used as the basis for this Table 2.

“**Gross Revenue**” was calculated by multiplying: (1) the average job size; (2) the average price per foot of fencing; (3) the average number of jobs completed per week (which is 4, including job data from our affiliate-owned outlet); and (4) 50 weeks per year.

“**Cost of Materials**” is calculated by adding: (1) the product of average job size, average cost per foot of fencing (\$10.39 per foot), average number of jobs completed per week (4), and 50 weeks per year; plus (2) the product of average shipping cost per job, average number of jobs completed per week, and 50 weeks per year. The average cost per foot of fencing was not included in the survey; instead, this figure is based on our internal financial data from selling fencing to LSPF Dealerships. The cost per foot of fencing ranges from \$6.92 to \$12.02 depending on the model. Cost of Materials does not include other variable costs, such as labor and fuel costs to drive to and from jobs, nor does it include fixed costs or overhead, such as rent or utilities for an office space or warehouse.

“**Gross Profit**” is calculated by subtracting Cost of Materials and Imputed Franchise Fees and Expenses from Gross Revenue. Gross Profit does not take into account other fixed or variable expenses that franchisees might incur that are not included in either Cost of Materials or Imputed Fees and Expenses. As such, Gross Profit is not net earnings, net income, or similar “bottom line” figure.

“**Imputed Franchise Fees and Expenses**” are fees and expenses that are not currently incurred by LSPF Dealerships, but will be incurred by franchisees. These fees and expenses are: the 3% royalty fee, 1% brand development fund contribution, \$2,800 per month required local advertising expenditure, and \$25 per week technology fee. The annual royalty fee and brand development fund contribution amounts were calculated by multiplying the applicable percentage (either 3% or 1%) by Gross Revenue. The annual required local advertising expenditure was calculated by multiplying \$2,800 per month by 12 months.

Finally, the total annual technology fee was calculated by multiplying \$25 per week by 52 weeks. These amounts were aggregated and presented in the table above.

“**Adjusted Gross Profit**” is calculated by subtracting Imputed Franchise Fees and Expenses from Gross Profit.

**These figures are only estimates of what we think you may sell or earn. Your individual results may differ. There is no assurance that you’ll sell or earn as much.**

Certain characteristics of LSPF Dealerships differ materially from the franchises we offer for sale, including the following differences: LSPF Dealerships do not purchase a license or franchise to operate their business, nor do they receive territorial protections; and, unlike franchised LSPF Businesses, LSPF Dealerships generally are not required to operate as full-time businesses, and many do not. However, both franchisees and LSPF Dealerships purchase their requirements of certain Life Saver Pool Fence® products from our affiliate at wholesale prices and sell and install those products for end users. Franchised LSPF Businesses, therefore, have more detailed operational requirements, such as software and systems requirements, and marketing and advertising requirements. But, Franchised LSPF Businesses may receive favorable wholesale pricing for Products and Services and benefit from additional institutional resources and training, including automated lead-generation software and client relationship management software.

However, all LSPF Businesses, whether dealerships or franchises, offer substantially the same products and services to the public. Therefore, the data presented in this Item 19 for average job size, average price per foot of fencing, average cost of shipping per job, average cost per foot of fencing, and average number of jobs per week, will likely be substantially similar for franchised LSPF Businesses. And, while LSPF Dealerships are not required to operate on a full-time basis, we have only included data in this Item 19 for Full-Time Dealers, because franchisees will be required to do so.

We have written substantiation in our possession to support the information appearing in this financial performance representation and such substantiation will be made available to you on reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Javier Padilla, 1085 SW 15th Avenue, #E3, Delray Beach, Florida 33444 and telephone number (561) 272-8242, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System- Outlet Summary**  
**For Years Ending December 31, 2022, 2023, and 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	0	0	0
	2023	0	4	+4
	2024	4	9	+5
Company-Owned <sup>(1)</sup>	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
<b>Total Outlets <sup>(2)</sup></b>	<b>2022</b>	<b>1</b>	<b>1</b>	<b>0</b>
	<b>2023</b>	<b>1</b>	<b>5</b>	<b>+4</b>
	<b>2024</b>	<b>5</b>	<b>10</b>	<b>+5</b>

(1) All “company-owned” Businesses are owned by an affiliate. We do not own or operate any Business.

(2) There are currently 67 LSPF Dealerships operating in the United States, which have not been included in this Item 20 because they are not substantially similar to LSPF Businesses. See Item 1 discussing the differences between LSPF Dealerships and LSPF Businesses.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(other than the Franchisor)**  
**for Years Ending December 31, 2022, 2023, and 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Florida	2022	0
	2023	0
	2024	1
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>1</b>

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**Table No. 3**  
**Status of Franchised Outlets<sup>(1)</sup>**  
**For Years Ending December 31, 2022, 2023, and 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operation - Other Reasons	Outlets at End of Year
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
California	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	3	0	0	0	0	4
Georgia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	1	0
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	0
	2024	1	0	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
	<b>2024</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>9</b>

(1) One or more LSPF Dealerships operates in each of the following states: AL, AZ, CA, CT, FL, GA, HI, ID, IL, IN, KS, LA, MA, MD, MI, MN, MS, NC, NJ, NV, NY, OH, OK, PA, SC, TX, and VA.

**Table No. 4**  
**Status of Company-Owned Outlets<sup>(1)</sup>**  
**For Years Ending December 31, 2022, 2023 and 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2023</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2024</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

(1) All "company-owned Businesses are owned by an affiliate. We do not own or operate any Business.

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2025) <sup>(1)</sup>	Projected New Company-Owned Outlets in the Next Fiscal Year (2025)
Arkansas	0 <sup>(2)</sup>	1	0
California	1 <sup>(3)</sup>	2	0
Florida	1 <sup>(3)</sup>	1	0
Total	2	4	0

(1) This Table includes existing Dealerships that might convert to franchised outlets in the next fiscal year.

(2) As of the issuance date, one Franchise Agreement was signed in 2025 in Arkansas.

(3) As of the issuance date, this franchisee has opened.

The name, address and telephone number of each current franchisee as of the date of this disclosure document are listed in Exhibit “K.”

The name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of any franchisee who, in our most recent full fiscal year: (a) had an outlet terminated, cancelled, or not renewed; (b) otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, as applicable; or (c) who has not communicated with us within 10 weeks of the issuance date of this disclosure document, is listed in Exhibit “L.”

**If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

We are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (ii) independent franchisee organizations that have asked to be included in this disclosure document.

## Item 21 FINANCIAL STATEMENTS

Our audited financial statements for the periods ending December 31, 2022, December 31, 2023, and December 31, 2024 are attached to this disclosure document as Exhibit “B.” Our fiscal year ends December 31.

## Item 22 CONTRACTS

Attached to this disclosure document (or the Franchise Agreement attached to this disclosure document) are copies of the following franchise and other contracts or agreements proposed for use or in use:

Exhibit "A"	Franchise Agreement
Exhibit "A-1"	Conversion Addendum
Exhibit "E"	State Specific Riders
Exhibit "F"	General Release
Exhibit "G"	Principal Owner's Statement
Exhibit "H"	Principal Owner's Guaranty
Exhibit "I"	Conditional Assignment of Telephone Numbers and Listings and Internet Addresses
Exhibit "J"	Confidentiality, Nonsolicitation and Noncompetition Agreement
Exhibit "M"	Franchise Compliance Certificate

**Item 23  
RECEIPT**

Exhibit "O" to this disclosure document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

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**EXHIBIT A TO THE DISCLOSURE DOCUMENT**

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**FRANCHISE AGREEMENT**

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**LIFE SAVER POOL FENCE®**  
**FRANCHISE AGREEMENT**

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\_\_\_\_\_  
AGREEMENT DATE

\_\_\_\_\_  
FRANCHISE OWNER

\_\_\_\_\_  
FRANCHISE NUMBER

ADDRESS OF FRANCHISE:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**EXHIBITS:**

Exhibit A – Territory

Exhibit B – Franchise Fee

**LIFE SAVER POOL FENCE®**  
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) is effective as of \_\_\_\_\_, 20\_\_ (the “Effective Date”), between LIFE SAVER FRANCHISING, INC. (“we,” “us” or “our”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “you” or “your”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “parties” and individually sometimes referred to as a “party”).

1. **INTRODUCTION**

1.1. **The LIFE SAVER POOL FENCE® System.** We are granting franchises (each a “LSPF Business” or “Businesses”) to qualified and capable candidates who want to sell and install the highest quality and safest pool safety products, including our removable mesh pool fence, the original Life Saver Pool Fence®, the Pool Barrier fence, the Pool Corral, the Life Saver Pet Fence, poolfenceDIY and other products and services (the “Products and Services”) to residential customers, using our System. You may not sell the Products and Services on a wholesale basis. We and our affiliates have developed or licensed distinctive formats, methods, policies, procedures, standards, specifications, information, sales and training techniques, business relationships, Marks and Copyrights to operate a LSPF Business, all of which we may change, alter, amend, further improve, discontinue, develop or otherwise modify from time to time (collectively, the “System”).

We use, promote and license, or may own, use, promote or license certain trademarks, service marks (including LIFE SAVER POOL FENCE®), logos, designs, artwork, e-names and other commercial symbols in the operation of LSPF Businesses (collectively, the “Marks”). LSPF Businesses also utilize, in a manner we designate or approve, certain materials and other ideas and information presented or reduced in or to tangible form that we designate, approve, or provide (e.g., writings, sound, compositions, pictures, drawings, artwork, websites, designs and the like), which we have sought or may seek copyright protection in or to (the “Copyrights”). We may in the future register, develop, enhance or modify certain aspects of the System or the Marks or the Copyrights, and we may create, use and license additional, replacement or substitute copyrights, trademarks, service marks, logos, designs, artwork, e-names and other commercial symbols in conjunction with the operation of LSPF Businesses, which we may include as part of the Marks or Copyrights. References to the System include the use of the Marks and Copyrights unless the context otherwise requires.

You want to acquire the right to operate a LSPF Business, using the System, to perform, market and sell the Products and Services to residential customers. We grant to persons who meet our qualifications and are willing to undertake the investment and effort the right to own and operate a LSPF Business using the System (“Franchisees”).

The business you conduct as a LSPF Business is referred to as your or the “LSPF Business” or “Business.” You recognize our legitimate business interest in preserving our customer base and associated goodwill, as well as our relationships with other LSPF Businesses, suppliers, agents, designees or affiliates. This Agreement contains the terms and conditions of your performance as one of our LSPF Businesses and our obligations to you.

1.2. **Acknowledgments.** This Agreement is being presented to you because you expressed the desire to own and operate a LSPF Business and own and operate your LSPF Business. You understand that the terms of this Agreement are reasonably necessary to maintain our high standards of quality and service

and the uniformity of those standards at all LSPF Businesses, and to protect and preserve the goodwill of the Marks, the Copyrights and the System. In signing this Agreement, you acknowledge:

- (a) the importance of operating your LSPF Business in strict conformity with our standards;
- (b) that you have conducted an independent investigation of your LSPF Business and recognize that, like any other businesses, its nature may evolve and change over time;
- (c) that an investment in a LSPF Business involves business risks;
- (d) that the success of this business venture is primarily dependent on your business abilities and efforts;
- (e) in all of their dealings with you, our officers, directors, employees and agents act only in their representative, not in an individual, capacity. All business dealings between you and us and such persons in connection with entering into or as a result of this Agreement are solely between you and us;
- (f) any information you acquire from other LIFE SAVER POOL FENCE® Franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of such information; and
- (g) we have advised you to have this Agreement and our Franchise Disclosure Document reviewed and explained to you by an attorney and your business advisors.

## 2. GRANT AND TERM

2.1. **Grant.** We grant to you a franchise (the “**Franchise**”) during the Term, to own and operate a LSPF Business using the System solely within the Territory in accordance with our System Standards to: (i) perform, market and sell the Products and Services to residential customers in the Territory; and (ii) perform, market and sell the Products and Services to Multi-Market Accounts that we designate from time to time.

2.2. **Term.** The term of the Franchise begins on the Effective Date and ends on its 5th anniversary (the “**Term**”), unless sooner terminated pursuant to this Agreement. The word “**Term**” means the initial time period and any renewal or extension of that time period, unless the context is otherwise.

2.3. **Full Term Performance.** You agree to perform your obligations under this Agreement faithfully and honestly, and to continuously exert your best efforts to promote and enhance your LSPF Business and the System, for the full term of this Agreement. You are required to be personally responsible for the development and success of your LSPF Business. In that connection, the LSPF Business must be managed and supervised on a day-to-day basis by you or another person we have approved, both of whom must have satisfactorily completed our initial training. Furthermore, you agree not to engage in any other business or activity that may conflict with your obligations under this Agreement. You must not offer any other line of business or services, including performing, marketing or selling other services the same or similar to Products and Services, without our prior written consent. You may use the Marks, the Copyrights and the System only for purposes of operating as a LSPF Business for the sale of the Products and Services, in accordance with this Agreement and our System Standards.

### 3. **TERRITORIAL RIGHTS AND RESTRICTIONS**

3.1. **Protection / Restrictions.** Subject to this Agreement, we grant to you a protected territory to operate your LSPF Business referred to as the Territory. The “**Territory**” of your LSPF Business is defined on Exhibit “A.” You must reside within the Territory. During the Term, we will neither grant anyone else the right to, nor ourselves, operate a LSPF Business by marketing, promoting, providing or performing Products and Services within the Territory except in compliance with our Multi-Market Accounts Program and our Cross-Territory Policy. In return, you must not market, sell, promote, provide or perform Products and Services outside of the Territory without our prior written consent, except in an Open Area as described below or in compliance with our Cross-Territory Policy.

3.2. **Location.** Any and all offices for your LSPF Business must be located within the Territory and such location must be pre-approved by us. However, we are not obligated to provide any assistance to you in your selection of an office location. You will not be permitted to relocate your office or open additional offices within the Territory without our prior written approval. We will provide input on your site selection and guidance on renovation of the warehouse and showroom display placement. We will approve or disapprove of any proposed site within 30 days after receiving all information that we have reasonably requested from you in order for us to evaluate the site.

3.3. **Open Areas.** You may sell and perform (but not market, promote or advertise) Products and Services in any geographic area that we have not awarded or designated to another LSPF Business or reserved for us (“**Open Areas**”); provided that, work in such Open Areas does not, in the aggregate, constitute 10% of more of your annual Gross Sales. You acknowledge that the purpose of this provision is to permit you to perform and sell a limited amount of referral Products and Services in Open Areas near your Territory, but that you are otherwise required to perform, market and sell Products and Services only in your Territory. You acknowledge that we may grant exclusive territorial rights to anyone in any geographic area other than your Territory with no obligation or compensation to you whatsoever. We may do so at any time (without any compensation to you) so that your operations outside of your Territory (e.g., in Open Areas) are at your own risk. If we award or designate any Open Area to any other LSPF Business, or to us, that geographic area will no longer be an Open Area and you must immediately cease conducting any part of your LSPF Business activities in that former Open Area. We will notify you via e-mail if the Open Area is no longer available for you, identifying the Franchisee or specifying whether we are reserving it for us or our affiliates.

3.4. **Multi-Market Accounts.** We anticipate devoting resources to developing a multi-market or regional accounts program for the benefit of both our affiliated businesses and those operated by other LSPF Businesses (the “**Multi-Market Accounts Program**”). A “**Multi-Market Account**” is a client that we designate for participation in the Multi-Market Accounts Program that operates under common ownership or control, under the same trademarks or service marks through independent franchises or some other association, at multiple locations, or that we otherwise consider as a client or potential client in multiple geographic areas. The locations of some of the Multi-Market Accounts may be in your Territory. Regardless of any contrary provision of this Agreement, you and we agree as follows:

(a) **Territorial Rights:** You agree that we or our designee may solicit current or potential clients located in your Territory, whether or not you currently market or sell Products and Services to them, to develop them as Multi-Market Accounts. We or our designee may do so without violating any of your territorial rights as described in this Agreement. We may market and sell Products and Services to such Multi-Market Accounts in your Territory.

(b) **Best Efforts:** You must use your commercially reasonable best efforts to market and sell the Products and Services for your LSPF Business that we may designate to Multi-Market

Accounts located in your Territory on the terms and conditions we specify. These terms may vary for each Multi-Market Account depending on the circumstances. We may require that you coordinate your efforts with other LSPF Businesses with respect to a Multi-Market Account.

(c) **Alternative Products and Services:** At your option, you may decide not to market and sell the Products and Services to one or more of the Multi-Market Accounts in your Territory. You recognize that some Multi-Market Accounts, for whatever reason, may decide that they do not want to do business with you. If that happens, we will cooperate with you to the fullest extent practicable to resolve the Multi-Market Account's concerns. However, if after we exercise what we believe to be reasonable efforts to rectify the problem, the Multi-Market Account continues to refuse to do business with you, then you agree that we or any other LSPF Business we designate may market and sell the Products and Services to that Multi-Market Account in your Territory. If, for any reason, you do not, or are unable to, provide Products and Services to a Multi-Market Account in your Territory, you are not entitled to receive any consideration or compensation on account of us, our affiliates, or any other franchisee or third-party, providing Products or Services to that Multi-Market Account in your Territory.

(d) **Reports and Forms:** For purposes of coordinating efforts and results of Multi-Market Account programs, you must timely provide us with copies of all reports, forms and notices relating to the marketing and sale of Products and Services to Multi-Market Accounts that we may specify from time to time. You also agree to coordinate with us any solicitations you conduct that may have potential for development as Multi-Market Accounts.

(e) **Terms and Conditions:** We will establish the terms and conditions, including pricing, for Multi-Market Accounts. You must honor those terms and conditions in providing Products and Services to them. In addition, Multi-Market Accounts may prefer that we handle the billing and collection for all Products and Services performed for them. In that case, we will perform the billing and collection on those Multi-Market Accounts and, before remitting payment to you, apply any amounts that you owe to us (including any Royalties, System Fund Contributions or other amounts due us relating to such Multi-Market Account transactions), and offset any other amounts due us. We will provide you with an explanation accounting for any reductions from the payments due you resulting from a Multi-Market Account.

3.5. **Cross-Territory Policy.** We may adopt a Cross-Territory Policy which governs your marketing and sale of Products and Services within another franchisee's territory. You: (i) will abide by the Cross-Territory Policy as adopted from time to time by us; and (ii) acknowledge that we may change, replace and modify the Cross-Territory Policy from time to time to reflect market conditions and other factors. Nevertheless, you must focus the predominant amount of your marketing activities within the Territory.

3.6. **Minimum Performance Requirements.** You must generate at least the following Gross Sales per 12-month period from the Commencement Date:

<b>Period</b>	<b>Minimum Gross Sales</b>
Months 1 through 12	None
Months 13 through 24	\$162,500
Months 25 through 36	\$211,250
Months 37 through 48	\$275,000
Months 49 through 60	\$357,000

We may terminate this Agreement and your franchise if you fail to meet these minimum performance requirements. Additionally, you must engage an installation helper not later than the 25th month following the Commencement Date. The installation helper will perform the duties described in the Manuals.

3.7. **Rights We Reserve.** Notwithstanding anything in this Agreement to the contrary, we retain the right, on behalf of ourselves and our affiliates, in our discretion and without granting any rights to you, to:

(a) perform, market, promote, sell and provide through affiliate owned businesses or through independent contractors, any Products and Services or similar products or services authorized for LSPF Businesses in any location, but not using the Marks;

(b) perform, market, promote, sell and provide any Products and Services in the Territory using the Marks for Multi-Market Accounts or in accordance with the Cross-Territory Policy;

(c) perform, market, promote, distribute and sell through wholesale and retail channels, including the internet and e-commerce platforms, products for others to use to perform services the same or similar to Products and Services for themselves or others, whether or not using the Marks anywhere;

(d) operate and grant to others the right to operate LSPF Businesses outside the Territory on such terms and conditions as we deem appropriate;

(e) operate and grant franchises to others to operate businesses, wherever located, specializing in the marketing and sale of products or services other than Products and Services, including the marketing and sale of products or services whether or not using the Marks, and pursuant to such terms and conditions as we deem appropriate;

(f) market, promote, advertise, schedule and take orders for quotations, estimates or to schedule Products and Services to be performed anywhere via the internet, call service centers or social media;

(g) operate call center services on behalf of ourselves and all Franchisees, if we determine to do so, which would include communications with customers in your Territory and booking appointments, jobs and projects;

(h) market, promote and advertise Products and Services whether or not using the Marks or Copyrights anywhere; and

(i) engage in any activity that we are not otherwise expressly prohibited from engaging in by the terms and conditions of this Agreement and/or that is not exclusively granted to you pursuant to this Agreement (anything not expressly granted by us to you is reserved by us).

#### 4. **OFFICE.**

4.1. **Office.** You may commence the operation of your Business out of your home if local laws, zoning and other limitations permit you to do so. Your office or warehouse must have sufficient space to store inventory, and you may rent additional warehouse or storage space for this purpose as approved by us. Regardless of whether your office is located in your home or on separate business premises, the office must be located in your Territory. You are solely responsible for selecting your office location and securing

the lease or other means of the right to occupy it. We do not provide site selection, site development or construction assistance. However, we may suggest certain designs and space usage strategies for your business office. You must not relocate your office or warehouse, or open additional locations, without our prior written approval.

## 5. FEES AND COMPENSATION

5.1. **Franchise Fee.** You must pay the initial franchise fee set forth on Exhibit “B” (the “**Franchise Fee**”). You must pay us all of the Franchise Fee when you sign this Agreement. The Franchise Fee is fully earned by us and non-refundable when paid. In return for your payment of the Franchise Fee to us, we grant the Franchise to you and provide the Initial Training.

5.2. **Royalty.** You agree to pay us royalty fees each week equal to 3% of your Gross Sales (“**Royalties**”). You must pay the Royalties to us on or before each Tuesday of each week (the “**Payment Day**”) along with a report of your Gross Sales on the forms and in the manner we specify. The Payment Day is subject to change as we determine from time to time, and may occur at a frequency other than weekly.

5.3. **System Fund Contributions.** You must contribute to the System Fund such amounts as we designate from time to time, currently 1% of your Gross Sales (“**System Fund Contributions**”). However, we will not require System Fund Contributions to exceed 3% of your Gross Sales. You must pay the System Fund Contributions in such manner and at such times as you pay the Royalties.

5.4. **Technology Fee.** You are required to pay us a weekly fee (the “**Technology Fee**”), currently \$25 per week to be used to pay a third-party designated vendor for ongoing services including the reporting system and business portal (the “**Technology Services**”), which amount may increase in the future. The Technology fee is due to us on the Payment Day each week (subject to adjustment if the frequency of the Payment Day is changed). You will also be required to pay us a one-time fee to set up the technology services (the “**Set-Up Fee**”) which may increase from time to time, currently \$200. The Set-Up Fee is due prior to opening.

5.5. **Gross Sales.** The term “**Gross Sales**” means all revenue derived from operating your LSPF Business, which includes all the revenues received from marketing and selling the Products and Services we develop from time to time, and all the revenues received from selling any other products or services sold through your LSPF Business or sold through or using the System whether or not such products or services bear the Marks or were developed by us, and in any case whether in the form of cash, credit or otherwise and whether or not payment is received at the time of sale or any amounts prove uncollectible. Gross Sales does not include any sales tax or other taxes collected by the LSPF Business and paid to the appropriate taxing authority.

5.6. **Customer Leads.** We currently administer a lead program in which we may, but are not required to, provide the name and contact information of certain pre-qualified leads to you from time to time. A pre-qualified lead is a prospect that has contacted us, and from whom we have obtained sufficient information to determine they are a likely prospect for a pool enclosure and are located in your Territory; however, we make no assurance that any leads provided through any of our lead programs will ultimately purchase Products and Services from you. You must participate in this lead program. We reserve the right to charge a reasonable fee for these leads. We may offer other forms of lead programs at our discretion, and may charge a lead fee upon notice to you. We may modify or discontinue any of our lead programs at any time, or create other forms of lead programs that you must participate in, and may modify or charge additional lead fees in connection with such programs upon notice to you. The terms, conditions and fees of our current lead program and any future new or modified lead programs will be set forth in the Manuals.

5.7. **Call Center.** We may establish a call center to perform administrative, screening, intake, and other related sales and customer service functions. If we establish a call center, you will be required to use its services and we may charge a reasonable fee. Call center functions and fees will be set forth in the Manuals.

5.8. **Sales Assistance.** You may use certain sales services that we offer from time to time, which may include remote phone coverage to respond to leads, among other services as described in the Manuals. We may charge a fee for these services as set forth in the Manuals. We may modify, add to or discontinue these services at any time. We make no assurance that any leads handled through these sales services will ultimately purchase Products and Services from you.

5.9. **Electronic Funds Transfer.** We may require you to pay any amounts due us, including the Royalties, System Fund Contributions, Technology Fees, Quality Assurance Audit Fee, to us by electronic funds transfer (including ACH) on the due date. You must comply with the procedures we specify in our Manuals and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method.

5.10. **Interest on Late Payments.** All amounts due to us, including without limitation, Royalties, System Fund Contributions, Technology Fees, and training fees, will bear interest after their due date at a monthly rate of 1.5% or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that we do not agree to accept any payments after they are due, nor commit to extend credit to, or otherwise finance your operation of, the LSPF Business. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement.

5.11. **Insufficient Funds.** In the event any check you tender to us for payment is returned or there are insufficient funds in such account, or any electronic funds transfer from your account is denied for insufficient funds or any charge to your credit card is declined in connection with any payment to us, you must pay to us our then-current fee for returned checks or insufficient funds, which currently is \$100 per occurrence. The fee is due immediately on any dishonored checks or notice of rejection or denial for any electronic funds transfer or credit card transactions. If you have 3 or more occurrences of insufficient funds within any 12-month period, we have the right to terminate this Agreement.

5.12. **Payment Offsets.** We may setoff from any amounts that we may owe you any amount you owe us or our affiliates, for any reason whatsoever, including without limitation, Royalties, System Fund Contributions, Technology Fees, late payment interest, amounts you owe to us or our affiliates for purchases or services or for any other reason. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us or our affiliates from time to time. In particular, we may retain (or direct to our affiliates) any amounts that we have received from your account as a credit and payment against any amounts that you may owe to us, or our affiliates, at any time. We may do so without notice to you at any time. However, you do not have the right to offset payments owed to us for amounts purportedly due to you from us.

5.13. **Certain Taxes.** If the state or local taxing authorities in your Territory impose any taxes on any payments that you owe to us (like a sales or service tax), then you must comply with all tax reporting and pay to us an adjusted amount to cover any such taxes, so that the net amount paid to us is not reduced by such taxes. This gross-up provision for state or local taxes applies only to taxes imposed directly on the Royalties or other amounts due to us. This provision does not apply to any taxes separately imposed on us, like income taxes.

## 6. TRAINING

6.1. **Initial Training.** Prior to opening your LSPF Business, we will furnish to you the initial training program, including a business training segment and an installer training segment (the “**Initial Training**”) we hold for our franchise owners at no additional fee or other charge. You will be responsible for all travel, meals and lodging expenses which you incur in connection with Initial Training. You (or if you are a Business Entity, your manager, including any on-premises supervisor) must attend and satisfactorily complete our Initial Training. Successful completion of the Initial Training by you (or if you are a Business Entity, your manager), is a condition to the opening of your LSPF Business to the public. If we determine that you (or if you are a Business Entity, your manager) are unable to complete Initial Training to our satisfaction, we have the right to terminate this Agreement. If the approved manager leaves your employment, you must obtain a replacement manager that completes our Initial Training to our satisfaction. You will also be required to pay for the manager’s travel, living and lodging expenses while attending our Initial Training. The Initial Training is provided at our headquarters or other location we designate for up to 8 days. If, after we provide you or your manager Initial Training, you hire a replacement manager, the replacement manager will be required to complete Initial Training, and you must pay to us our then-current replacement manager Initial Training Fee, currently \$3,000. You will be responsible for all wages, travel, meals and lodging expenses which you or your replacement manager incurs in connection with such replacement manager Initial Training.

6.2. **Installer Training.** Before your employees may install our products without direct supervision, they must complete to our satisfaction our Installer Training Program, at our then-current fee (currently not charged). Alternatively, you, or a Certified Installer, may provide Installer Training to a new employee. You will be responsible for all wages, travel, meals and lodging expenses which your employees incur in connection with Installer Training.

6.3. **Certified Installer.** An installer may become a “**Certified Installer**” by: (a) completing the Installer Training program including submission of videos or photos; (b) have sufficient on-the-job training to be considered proficient by you; and (c) complete our certification course which will be available remotely. Installation helpers are not Certified Installers and are not required to complete the Installer Training program. We currently do not charge a fee for Certified Installer training, but may do so in the future.

6.4. **On-going Training.** We may require you (or if you are a Business Entity, your manager) to attend periodic or refresher training courses (“**Additional Training**”) for up to 3 days annually.

6.5. **Additional Training.** If you request or we require you (or if you are a Business Entity, your manager) to attend additional training, you must pay us our then-current fee per day per trainer (currently, \$400), plus travel and related expenses.

6.6. **Conventions.** We may require you to attend our annual convention, if we host one. If we require you (or if you are a Business Entity, your manager) to attend our annual convention, you must pay us our then-current registration fee (currently, \$500, subject to a 3% annual inflationary adjustment), plus travel and related expenses.

## 7. BUSINESS EXPENSES AND VEHICLES

7.1. **Expenses.** You must pay all of your own business expenses in connection with the operation of your LSPF Business pursuant to this Agreement, including without limitation, marketing expenses. You are responsible for paying for any supplies or any other business materials that you need or

that we designate for use by LSPF Businesses, and we are not responsible for reimbursing you for any of such items.

7.2. **Vehicles** . To operate your LSPF Business, you will need to lease or purchase motor vehicles. All motor vehicles that you utilize in your LSPF Business must meet our System Standards and must be equipped and must meet our specifications for equipment, layout, appearance, décor and model. Some of the vehicles utilized by LSPF Businesses must be wrapped, and otherwise decorated in accordance with our System Standards which will include utilizing logos and designs that we specify or approve. We may require you to obtain equipment, wrapping and other decorative services for your motor vehicles from suppliers that we designate. You must also upgrade, maintain and replace your motor vehicles in accordance with the System Standards that we specify in the Manuals and otherwise from time to time, including appearance and signage. Initially, you must purchase or lease at least 1 vehicle. You recognize that we may require you to periodically update the signage and other logos utilized on the vehicles from time to time.

## 8. **MANUALS AND GUIDANCE**

8.1. **Operations Manuals**. We will grant you access (which may be electronic), during the term of this Agreement, to our manuals (the “**Manuals**”), consisting of such materials (including, as applicable, audiotapes, videotapes, magnetic media, computer Software and written materials) that we generally furnish to franchisees from time-to-time for use in operating a LSPF Business. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules (“**System Standards**”) that we prescribe from time to time for the operation of a LSPF Business and information relating to your other obligations under this Agreement and related agreements. We may make the Manuals accessible to you on-line or via other forms of electronic format like, using the Internet or on Intranet or CD-ROM (instead of loaning one (1) copy of it to you). You agree to follow the standards, specifications and operating procedures we establish periodically for the LIFE SAVER POOL FENCE® System that are described in the Manuals. You also must comply with all updates and amendments to the LIFE SAVER POOL FENCE® System as described in newsletters or notices we distribute, including via Computer System or other media we select). The Manuals may be modified or updated and revised periodically to reflect changes in System Standards. You are responsible for routinely monitoring any on-line version (or electronic format) of the Manuals for changes to them. If we make the Manuals accessible to you in read-only format and/or on-line (or electronic format), we will not send to you printed copies of any changes to them. However, any form of the Manuals accessible to you on-line is our proprietary information and will be deemed Confidential Information for purposes of this Agreement. You agree to maintain the Manuals as confidential and maintain the information in the Manuals as secret and confidential. You agree to keep your printed copy of the Manuals (if any) current and in a secure location. In the event of a dispute relating to the contents of any printed copy of the Manuals, the master copy of the Manuals we maintain at our principal office will be controlling. However, in the event we utilize on-line Manuals, the most recent on-line Manuals will control any disputes between the on-line version and printed copies of the Manuals. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals. You must keep the Manuals in a secure location. Generally, we will provide the Manuals electronically; if you request, and we agree, to provide to you a printed copy, you will bear the costs associated with preparing, printing and shipping the Manuals to you. You must not:

- (a) permit any part of the Manual to be copied, transmitted, “posted” or downloaded;
- (b) disclose it or any of its contents to anyone not having a need to know its contents for purposes of operating your LSPF Business; and/or
- (c) remove it from your business office without our permission.

8.2. **Guidance and Assistance.** During the Term, we will from time to time furnish you guidance and assistance with respect to the System Standards. This guidance and assistance will be furnished in the form of the Manuals, bulletins, written reports and recommendations, other written or electronic materials, telephone consultations, electronic mail, training programs, meetings, conferences and/or personal consultations at our offices, your offices or at a mutually convenient place. As we determine necessary from time to time, our guidance and assistance may relate to:

- (a) the marketing and sale of the Products and Services and the use of System Standards;
- (b) coordinating the activities of all LSPF Businesses;
- (c) establishing and conducting employee training programs;
- (d) development and implementation of local advertising and promotional programs;
- (e) furnishing information dealing with trends in Products and Services; and
- (f) changes in any of the above that may occur from time to time.

8.3. **Modification of System Standards.** We may periodically modify System Standards, and any such modifications may obligate you to invest additional capital in your LSPF Business and/or incur higher operating costs; provided, however, that such modifications will not alter your fundamental status and rights under this Agreement. You are obligated to comply with all modifications to System Standards within the time period we specify. You must repair, replace or refurbish your equipment, vehicles or trailers to meet our System Standards. In addition to your obligation to maintain all vehicles and equipment to meet our System Standards, you must make any upgrades and replacements of any equipment, computer hardware or software specifications as we require from time to time. We may also periodically require you to renovate the trade dress used on your vehicles, marketing materials, or at your business office. These updates may require you to implement new color schemes, signage, marketing materials or other visual elements. You must adapt to all of these upgrade requirements within 90 days of our notice to you to do so.

8.4. **Sourcing.** You may only use the equipment, products, supplies and materials to perform Products and Services (the “**Materials**”) that meet our System Standards. You must maintain an inventory of Materials and yourself provide labor or employ service staff sufficient for the daily operation of your LSPF Business. You may only use the Materials specified in our Manual and must purchase the Materials from us or our affiliates or suppliers we designate from time to time (the “**Approved Suppliers**”). We, or our affiliate, will coordinate with you, your purchases of the starting inventory.

(a) **Opening Inventory.** Prior to the Commencement Date, you must purchase your opening inventory of swimming pool fencing Materials for your Business from us, our affiliate or approved suppliers. The amount of opening inventory we require is set forth in the Manuals. We may offer to you, or require you to purchase from us, our affiliate or approved suppliers, an opening marketing package at our then-current prices. The prices and contents of the opening marketing package will be set forth in the Manuals.

(b) **Purchases from Us.** We, or our affiliate, may be the only supplier for certain of the Materials. You must buy such Materials only from us or our affiliate. We, or our affiliates, will earn a mark-up on any Materials we, or they, sell to you. We, or they, may suspend sales of these Materials to you any time you are in violation of this Agreement. Currently our affiliate, Life Saver

Pool Fence Systems, Inc., is the only approved supplier of swimming pool fencing Materials, and you must purchase your entire requirements for such swimming pool fencing materials from our affiliate. You may be required to enter into a supply agreement with our affiliate setting forth the terms and conditions of the purchase and sale of these Materials.

(c) **Approved Suppliers.** We may negotiate group or volume purchasing arrangements with Approved Suppliers and you must participate in the arrangements. We will be entitled to all rebates, bonuses and promotional benefits associated with those programs. Other than the Materials you must buy from us, if you desire to use additional Materials that we have not approved or from sources other than the Approved Suppliers we designate (other than us), you must submit to us a written request to approve the additional Materials together with such evidence of conformity with the System Standards as we may require. We will, within 90 days after receipt of such request, notify you in writing of our approval or disapproval of the additional Materials and the alternate source of such Materials, or the additional services. We reserve the right, in our sole discretion, to (i) deny approval of any additional Materials or services, (ii) limit the number or scope or your use of the additional Materials or your ability to sell or provide additional services and/or (iii) condition approval of the additional Materials on the Approved Suppliers being the supplier of the additional Materials. You must pay to us a fee equal to our actual costs incurred in evaluating the supplier, within 30 days of your receipt of our notification of approval or disapproval to cover our costs and expenses in connection with our review of the additional Materials and the source of such Materials plus any out-of-pocket costs we incur (e.g., travel, shipping, etc.).

(d) **Designated Suppliers.** You must also only use certain approved designated suppliers for certain services that you will need to operate your LSPF Business. For these products and service suppliers, we will not be required to evaluate replacements or substitutes due to their integration within our System. We may change approved suppliers for these product and services at any time and from time to time. You must timely pay the fees and charges imposed by such approved suppliers. We will be entitled to all rebates, bonuses and promotional benefits associated with those programs.

## 9. **SYSTEM TECHNOLOGIES**

9.1. **Computer System.** You must acquire, license and use in developing and operating your LSPF Business a computer system consisting of the computer services, components, equipment, computer hardware, telecommunications equipment or services, and the software used in connection with the billing, bookkeeping, administration, collections, and other back room services, data research, client relationship management, and other operating or communications software we designate or approve for use by LSPF Businesses (collectively, the “**Software**”) that we periodically specify in the manner we designate (collectively, the “**Computer System**”). We may require you to obtain specified computer and communications hardware, equipment, components or Software and services and may modify specifications for and components of the Computer System from time to time. We may require you to collect and maintain on the Computer System certain information to satisfy regulatory and processing requirements, and you will provide such information as we may request from the data so collected and maintained. Our modifications and specifications for components, equipment, services and operating or communications of the Computer System may require you to incur costs to purchase, lease or license new or modified Software or computer or communications hardware, equipment, components or software and to obtain service, support, upgrades and updates for the Computer System during the Term. You agree to incur such costs in connection with obtaining the computer hardware and Software comprising the Computer System (or additions or modifications), operating it in accordance with our System Standards and ensuring that it is compatible with, and capable of participation in and performing the functions we designate for the LSPF Business and engaging in any form of e-commerce we designate or approve, as long

as the Computer System we specify for use is the same Computer System that we or our affiliates then currently use in LSPF Businesses that we or they own and operate. Within 30 days after you receive notice from us, you must obtain the components of the Computer System that we designate and require. The Computer System must be capable of connecting with our Computer System, performing the functions we designate for the LSPF Business, permitting us to review the results of your LSPF Business' operations, and engaging in any e-commerce activities that we designate or approve. We also have the right to charge you a reasonable systems fee for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services that we or our affiliates furnish to you related to the Computer System. You agree that we may communicate with you by whatever means we designate from time to time including specifically by e-mail. You also agree to sign whatever documents and forms we may require in order to do so. You also will require any of your employees to sign such forms we designate to enable us to communicate with them by e-mail as well.

9.2. **Websites.** We have the right to control all use of URL's, domain names, websites, addresses, metatags, links, key words, e-mail addresses, social media accounts or platforms, and any other means of electronic identification or origin ("**e-names**"). We also have the right to designate, approve, control or limit all aspects of your use of the Internet, Intranet, World Wide Web, social media, wireless technology, digital cable, use of e-names, e-mail, websites, home pages, bulletin boards, chatrooms, e-mail, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "**e-commerce**"). You must follow all of our policies and procedures for the use and regulation of e-commerce. We may require that you provide graphical, photographic, written or other forms of artistic or literary content to us for use in e-commerce activities associated with the Marks, the Copyrights or the System which we may designate. We may restrict your use of e-commerce to a centralized website, portal or network or other form of e-commerce designated by us operated by us or our designee. You must not create your own website. We may require that you provide information to us via e-commerce. We may require you to coordinate your e-commerce activities with us and other LSPF Businesses. We may require you to obtain the services of and pay the then current fees for ISP and ASP services and the like. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Marks or the Copyrights, including any customer data, click-stream data, cookies, user data, hits and the like: such information is deemed by us to be and constitutes our Confidential Information.

## 10. **MARKS AND COPYRIGHTS**

10.1. **Ownership and Goodwill.** You recognize that various materials we give you may be subject to copyrights we own or license from others. Your right to use the Marks and the Copyrights is derived solely from this Agreement and is limited to the operation of your LSPF Business pursuant to and in compliance with this Agreement and all applicable standards and operating procedures we prescribe during the Term. If you make any unauthorized use of any of the Marks or the Copyrights, it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks or the Copyrights. Your use of the Marks or the Copyrights and any goodwill established by your use, will inure to our benefit exclusively. You acknowledge that you do not own the Marks or Copyrights. This Agreement does not confer any goodwill or other interests in the Marks or the Copyrights on you (other than the right to operate your LSPF Business in compliance with this Agreement).

10.2. **Additional Marks.** All provisions of this Agreement which apply to the Marks or the Copyrights will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, trade dress, logos and other copyrights we may authorize and license you to use during the Term.

10.3. **Limitations on Use.** You must use the Marks we designate as the sole trade identification of your LSPF Business, except that you must also identify yourself as an independent owner in the form we prescribe. You must not: (a) use any Mark or Copyright as part of any corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form; (b) use any Mark or Copyright or any commercial symbol similar to any Mark in connection with the performance or sale of any unauthorized services or products, or in any other manner we have not expressly authorized in writing; (c) employ any of the Marks or the Copyrights in any manner that we have determined may result in our liability for any indebtedness or obligation of yours. You will display the Marks or the Copyrights in the manner we prescribe at your LSPF Business and in connection with advertising and marketing materials, along with any notices of copyright, trademark and service mark ownership registrations that we specify. You will also have to obtain any fictitious name, assumed name or “doing business as” registrations that may be required under applicable law.

10.4. **Infringements and Claims.** You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark or Copyright, or claim by any person of any rights in any Mark or Copyright or similar copyright, trade name, trademark or service mark of which you become aware. You must not communicate with anyone except us and our attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take whatever action we deem appropriate. We have the sole right to control exclusively any U.S. Patent and Trademark Office, U.S. Copyright Office, litigation or other proceeding or any other litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark or Copyright. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks or the Copyrights or otherwise to protect and maintain our interests in the Marks or the Copyrights. You may not, at any time, contest the validity or ownership of any of the Marks or the Copyrights, or assist any other person in contesting the validity or ownership of any of the Marks or the Copyrights.

10.5. **Discontinuance of Use.** If it becomes advisable at any time in our sole judgment for your LSPF Business to modify or discontinue the use of any of the Marks or the Copyrights or for your LSPF Business to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions to modify or otherwise discontinue the use of such Mark or Copyright, or use one or more additional or substitute trademarks or service marks, within a reasonable time after our notice to you. Our sole liability and obligation to you for such modification or discontinuance will be to provide you with, or reimburse you for, replacement of stationery, forms, business cards, signage and the like, utilizing the substitute Marks.

10.6. **Indemnification.** We will indemnify you against and reimburse you for all damages for which you are held liable to third parties in any proceeding arising out of your authorized use of any Mark or Copyright, pursuant to it and in compliance with this Agreement, resulting from claims by third parties that your use of the Marks or the Copyrights infringes their trademark or copyright rights, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with the terms of this agreement. We will not indemnify you against the consequences of your use of the Marks or the Copyrights except in accordance with the requirements of this Agreement. You must provide written notice to us of any such claim within 7 days of your receipt of such notice and you must tender the defense of the claim to us. We will have the right to defend any such claim and if we do so, we will have no obligation to indemnify or reimburse you for any fees or disbursements of any attorney retained by you. If we elect to defend the claim, we will have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

10.7. **Consent.** You acknowledge and agree that we may grant franchises to others to operate LSPF Businesses using the Marks or the Copyrights, in accordance with this Agreement. You agree that, whenever we may request from time to time, you will give your written consent to such use of the Marks and the Copyrights by such Franchisees.

10.8. **Creation of Copyrights.** If you commission any Copyrights for any use in connection with the operation of your LSPF Business, you will be responsible for requiring the artist and any other person who may claim copyrights, moral rights, privacy rights, publicity rights or any other intellectual property rights in or to that Copyright (including any aspect of the content or composition of it), to assign to us all rights, title and interest in and to the Copyrights. To the extent such assignment is not possible or obtainable, you must require that such persons failing to grant to us such assignment grant to us an unconditional, royalty free, world-wide, multi-site, multi user, irrevocable, freely assignable license to use, license, modify, reproduce, make commercial use of, and make derivative works from or of, the Copyrights and all attributes of and to it. You agree to, prior to commissioning, utilizing, purchasing or licensing any Copyright, require all persons who claim intellectual property, privacy, publicity or moral rights in or to the Copyrights (other than us) sign such assignments or licenses as we may designate from time to time. Between you and us, you agree that we will be deemed to own all aspects of the physical embodiment of the Copyrights. We own all designs and photographs and all associated copyrights used in connection with your bids or proposals for Products and Services.

## 11. **DUTIES AND RESPONSIBILITIES**

11.1. **Opening of the Business.** You must commence operations of your LSPF Business within 3 months of the Effective Date (the “**Commencement Date**”). If you do not commence operations of your LSPF Business within such time, we may terminate this Agreement.

11.2. **The Products and Services.** You agree to follow all of our policies and procedures we may develop from time to time in the Manuals with respect to the Products and Services you provide. You must follow our System Standards when providing the Products and Services. You must perform and sell all Products and Services that we authorize for LSPF Businesses. You must provide all warranties on Products and Services that we require from time to time and must perform the installation, repair, or other services related to customer warranty claims, all in accordance with the policies and procedures set forth in the Manuals or otherwise in writing. You must not engage in any wholesale distribution or sale of the Products and Services and must perform, market, promote and sell them only for the benefit of retail customers (although third party payors like insurance companies may be involved and pay for them). You must not engage in any sales of Products and Services on a wholesale basis.

11.3. **Compliance with System Standards.** You acknowledge and agree that your operation and maintenance of the Franchised Business in accordance with System Standards are essential to preserve the goodwill of the Marks and all the LSPF Businesses. Therefore, at all times during the term of this Agreement, you agree to operate and maintain the Franchised Business in accordance with each and every System Standard, as we periodically modify and supplement them during the term of this Agreement. System Standards may regulate any one or more of the following with respect to the Franchised Business:

- (a) design, layout and appearance; periodic maintenance and remodeling; replacement of obsolete or worn-out fixtures, furnishings, equipment and signs, designs, wraps, finishes, color or paints; periodic painting; and use of interior and exterior signs, emblems, lettering and logos, both for physical facilities and vehicles;

- (b) quantities, types, models and brands of required Products and Services, fixtures, furnishings, equipment, signs, materials and supplies used in establishing and operating the Franchised Business;
- (c) required inventory and inventory levels;
- (d) designated or approved suppliers of fixtures, furnishings, equipment, Products and Services and other items we require for the operation of your Franchised Business;
- (e) terms and conditions of the sale and delivery of, and terms and methods of payment for, products, materials, supplies and services, that you obtain from us, our affiliates or unaffiliated suppliers;
- (f) sales, marketing, advertising and promotional programs and materials that are required or approved for use by your Franchised Business;
- (g) use or non-use and display or non-display of the Marks and Copyrights;
- (h) staffing levels for the Franchised Business, and qualifications, training, dress and appearance of employees;
- (i) days and hours of operation of the Franchised Business;
- (j) acceptance of credit cards, gift certificates, coupons, frequent customer programs, and payment systems and check verification services;
- (k) bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;
- (l) complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the Franchised Business;
- (m) mandatory and/or suggested memberships in trade and/or industry associations or organizations;
- (n) regulation of such other aspects of the operation and maintenance of the Franchised Business that we determine from time-to-time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and the LSPF Businesses; and
- (o) our requirements that you conduct background and credit checks on your employees and independent contractors, and requirements that you employ personnel versus contract with independent contractors.

You agree that System Standards prescribed from time-to-time in the Manuals, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth. All references to this Agreement include all System Standards as periodically modified.

11.4. **Sales Methods.** You must follow our System Standards when marketing and selling the Products and Services. You must not make any misrepresentations to prospective customers regarding or concerning us or our business. Accordingly, in marketing and selling the Products and Services, you will not disseminate any information, or represent to prospective customers or others, any information that conflicts with any of the materials we provide you to assist in the sale of the Products and Services.

11.5. **Record Keeping.** In order for us to monitor your performance, you must keep and maintain full and accurate records of (i) your meetings with referral sources, customers and prospects; (ii) all Products and Services sold and Materials used; (iii) all locations where you have sold and provided the Products and Services; and (iv) any other information we may require. The records must include whatever information we consider necessary from time to time (and will include information relating to meetings, follow-up calls, etc.). We will also require you to complete and transmit to us reports detailing your activities in the form and at the times we require from time to time. You must also utilize the accounting methods that we determine from time to time, and utilize the accounting services and software, including without limitation client relationship management software, that we specify from time to time. You must utilize our uniform chart of accounts in your bookkeeping and to create your financial statements, and you must provide us remote electronic access to such bookkeeping software and financial statements. If you do not provide us with timely and accurate financial statements utilizing our approved forms, methods and procedures, we may require that you utilize a vendor that we have approved to provide the accounting and bookkeeping services for you.

11.6. **Access to Facilities.** You must give us access to your offices, if any, for meetings with referral sources, customers and Multi-Market Accounts for meetings with us. We may schedule mandatory meetings for you at reasonable times after reasonable coordination efforts. You must follow the policies and procedures we periodically establish for operating procedures, record keeping and reporting and other matters.

11.7. **Marketing Support.** We will provide you with certain marketing materials including literature concerning the Products and Services, manuals, brochures and related information that we have designed or otherwise acquired to assist you in the marketing and sale of the Products and Services. Upon termination or expiration of this Agreement, you must: (i) return all marketing materials, manuals, brochures and related information that we have furnished to you or that bear our trade names; and (ii) not retain copies of these materials in any form whatsoever.

11.8. **Management.** We have granted the franchise to you on the assurance that it will be managed by an active owner/operator. Accordingly, you or your principal owner must be actively involved in the management of all aspects of your LSPF Business, or by a manager that we have approved from time to time. Although you may delegate some of your duties under this Agreement to your subordinate managers or employees, you remain fully responsible for your and their performance. You must use your best efforts to ensure your personnel do not cause a breach of this Agreement. You, your principal owner, and any manager that we have approved (including any on-premises supervisor), must successfully complete initial training.

11.9. **Insurance**

(a) **Insurance and Coverage Requirements.** You will obtain and maintain the types of insurance coverage required to be carried for the LSPF Business, in the amounts and on the terms and conditions in accordance with our System Standards as we may specify from time to time in our Manual or otherwise in writing to you. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of

liability, higher damage awards or other relevant changes and circumstances. Our System Standards may regulate: the standards for underwriters of policies providing required insurance coverage; our protection and rights under such insurance policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the LSPF Business at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

(b) **Insurance Policy Terms.** All insurance policies must:

(i) contain no provision which in any way limits or reduces coverage for us in the event of any claim by us or any of our affiliates, directors, officers or agents;

(ii) extend to provide indemnity for all obligations assumed by you under this Agreement and all items for which you are required to indemnify us under the provisions of this Agreement or otherwise;

(iii) name us as an additional insured and not contain an “insured vs. insured” exclusion;

(iv) contain a waiver of the insurance company’s right of subrogation against us;

(v) provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured;

(vi) provide that the insurance company will provide us with at least 30 days’ prior written notice of termination, expiration, cancellation or material modification of any policy;

(vii) provide that you cannot reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the policies without our prior written consent; and

(viii) contain such other terms and conditions as we require from time to time.

(c) **Evidence of Coverage.** Before the expiration of the term of each insurance policy, you must furnish us with a copy of each new, renewal or replacement policy you have obtained to extend your coverage, along with evidence of the premium payment. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your LSPF Business required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf, will reduce or absolve you of any obligations of indemnification described in this Agreement.

11.10. **Compliance with Laws and Good Business Practices.** You will secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the LSPF

Business. You will operate the LSPF Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to occupational hazards and health, privacy, worker's compensation insurance, unemployment insurance, construction permitting, workplace safety, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You will, in all dealings with customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the System, the Marks, the Copyrights and other LSPF Businesses.

## 12. **ADVERTISING AND PROMOTION**

12.1. **Initial Launch Marketing.** You will be required to spend a minimum of \$10,000 as we determine appropriate on an initial launch marketing within the first 3 months of operations. The initial launch marketing will be conducted in accordance with our instructions (as contained in the Manual or otherwise), and will consist of a variety of public relations, marketing and advertising initiatives, intended to publicize the opening of your LSPF Business, setting up your customer-focused website and beginning to establish an on-line presence. The amounts you spend on the initial launch marketing will not be credited against any other obligations pursuant to this Agreement. No later than the last day of each calendar month in which part of the initial launch marketing falls, you will provide us with a written report of all activities undertaken as part of the initial launch marketing (including an accounting for all expenditures and a description of all public relations and marketing activities). We reserve the right, in our sole discretion, to implement the initial launch marketing on your behalf and require you to pay the amounts to conduct it directly to us.

12.2. **Establishment of System Fund.** Recognizing the value of advertising and marketing to the goodwill and public image of LSPF Businesses, we have established a system-wide marketing fund (the "System Fund") for such advertising, marketing and public relations programs and materials we deem necessary or appropriate. We reserve the right to defer or reduce System Fund Contributions of a LSPF Business Franchisee and 10 days' prior written notice to you, to reduce or suspend contributions to and operations of the System Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the System Fund. If the System Fund is terminated, all unspent monies on the date of termination will be distributed to our Franchisees in proportion to their respective contributions to the System Fund during the preceding 12-month period.

12.3. **Use of the Funds.** We or our designee will direct all programs financed by the System Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the System Fund may be used to pay the costs of preparing and producing video, e-commerce, audio and written advertising materials; developing and servicing corporate accounts; evaluating new products or services; research and development of marketing materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, direct mail and other media advertising and employing advertising, promotion and marketing agencies; and supporting public relations, market research, establishing, developing, maintaining, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities. The System Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

12.4. **Accounting for the Fund.** The System Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the

administration of the System Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the System Fund. We may spend, on behalf of the System Fund, in any fiscal year an amount greater or less than the aggregate contribution of all LSPF Businesses to the System Fund in that year, and the System Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the System Fund will be used to pay advertising costs before other assets of the System Fund are expended. We will prepare a periodic statement of monies collected and costs incurred by the System Fund and furnish the statement to you upon written request. We have the right to cause the System Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

12.5. **System Fund Limitations.** You acknowledge that the System Fund will be intended to maximize recognition of the System, the Marks, the Copyrights and LSPF Businesses. Although we will endeavor to utilize the System Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all LSPF Businesses, we undertake no obligation to ensure that expenditures by the System Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Fund by LSPF Businesses operating in that geographic area or that any LSPF Business will benefit directly or in proportion to its contribution to the System Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the System Fund.

12.6. **Local Advertising and Promotion.** Beginning in the 4th month after the Commencement Date, you must spend a minimum of \$2,800 each month on local marketing, promotion and advertising, not including payments to the System Fund. We may, from time to time, increase or decrease this local advertising and promotion requirement to account for regional difference related to seasonal demand for Products and Services. These regional adjustments may differ among LSPF Businesses. We reserve the right to increase the minimum local advertising and promotion requirement (whether on a regional basis as described in the previous sentence, or across the entire System) by up to 15%, but not more than one time per year. You agree that any advertising, promotion and marketing you conduct will (i) be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time and (ii) conform to such standards and requirements as we may specify to conform to regulatory requirements. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within 10 days after our receipt of such materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved.

12.7. **Co-op Participation and Contributions.** If an association of LSPF Businesses is established in a geographic area in which your LSPF Business is located (the “Co-op”), you must join and actively participate in it. You also must contribute to the Co-op such amounts as are determined from time to time by it, not to exceed \$2,000 per month (which maximum amount we may increase annually by up to 15%), unless the Co-op votes for a higher amount. Your local advertising requirement will be reduced by the amount that you contribute to any Co-op. We will not set the amount of those contributions. The Co-op will adopt its own rules, regulations and procedures, which you must follow. However, the rules, regulations and procedures of the Co-op must be approved by us. All advertising utilized by the Co-op must not be used unless and until we have reviewed and approved it. The Co-op will use our mandated accounting system and also pay us any accounting system fee we may designate in the Manuals. We also have the right to participate in any meetings of the Co-op and its members. Our company-owned Businesses will be voting members or any Co-op in their market. Your failure to timely contribute the amounts required

by the Co-op constitutes a material breach of the provisions of this Agreement and we may offset against any amounts we owe to you the amount of your Co-op contributions and pay such contributions for you.

12.8. **Telephone Directory Advertisements.** At your expense, you must obtain your telephone number and list and advertise your LSPF Business in the telephone and/or online directories and categories as we require from time to time, utilizing our standard forms of directory advertisements. You must place your classified directory advertisements and listings together with other LSPF Businesses operating within the distribution area of the directories. If a joint listing is obtained, the cost of the advertisements and listings will be apportioned among all LSPF Businesses placed together. The listings must only display the telephone numbers, domain names, email addresses and other contact information that we specify. You must sign and deliver to us our Conditional Assignment of Telephone Numbers, Listings and Addresses in the form attached as an exhibit to our Franchise Disclosure Document.

12.9. **Advisory Council.** We may form a council of franchisees to advise us on business, marketing and operational matters. If we do so, you agree to participate in the council related activities and meetings. If the council determines to raise funds by means of assessing dues, then you agree to timely pay those dues to the council. If such dues are assessed by the council, we will also pay a proportionate amount for our membership in the program. However, you will be responsible for your own expenses associated with participating at the meetings.

### 13. **RELATIONSHIP OF THE PARTIES**

13.1. **Independent Contractors.** We do not have a fiduciary relationship with you. You and we are independent contractors. Neither you nor we are general or special agents, joint venturers, partners or employees of the other for any purpose whatsoever. Since you are an independent contractor, you will not be entitled to workers' compensation, unemployment compensation, or any other statutory or regulatory benefit or right predicated on an employer-employee relationship. We have no obligation to carry workers' compensation coverage or pay unemployment compensation taxes or withhold any amounts from payment to you for federal income taxes or for federal social security taxes, unless otherwise required by applicable laws and regulations. You will file all federal income tax forms required of an independent contractor. We have no obligation to provide you with any employment and fringe benefits that we may provide to employees, such as health insurance, for example. The foregoing also applies to any relationship we have with your agents or employees. You are solely responsible for the terms and conditions of employment for all of your employees and the terms of compensation for any of your independent contractors that perform services on behalf of your LSPF Business. We are not your employer and are not joint or otherwise the employer of any of your employees or independent contractors.

13.2. **Taxes.** We will have no liability for any sales, use, surcharge, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or your LSPF Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to any purchases from us). Payment of all such taxes is your responsibility.

### 14. **INDEMNIFICATION**

14.1. **By You.** You agree to indemnify, defend and hold harmless us, our affiliates and our respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any and all taxes described in this Agreement (including any income tax or excise tax which we are required to pay due to your activities in any state) and any and all claims and liabilities directly or indirectly arising out of the LSPF Businesses' operation (even if our negligence is alleged) or your breach of this Agreement, and for any claims made by any of your employees. For purposes

of this indemnification, “claims” includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

14.2. **By Us.** We must indemnify, defend and hold you harmless from and against and reimburse you only for all obligations, damages, losses, costs, expenses and liabilities for which you are held liable or which you may incur in the defense of any claim brought against you resulting or arising out of: (a) our failure to perform contractual obligations under this Agreement; or (b) reckless or willful action or failure to act; and (c) our material breach of any aspect of this Agreement. You may defend any such claim against you.

14.3. **Contribution.** Without limiting any rights or obligations to indemnify and defend, if for any reason the parties are found by a court of competent jurisdiction to be liable or otherwise responsible and that indemnification will not be permitted, you and we will contribute to such amount in the proportion of revenues you and we receive from the operation of your LSPF Business. Our proportion will be the ratio from the fees you pay to us (our proportion) divided by your total revenues during the immediately preceding calendar year.

14.4. **Survival.** All indemnification obligations described in this Agreement will continue in full force and effect after the expiration or termination of this Agreement.

14.5. **Defense Costs.** All indemnification obligations include the reimbursement of attorneys’ fees and associated costs of defending against the claims.

## 15. **INSPECTIONS, AUDITS AND REPORTS**

15.1. **Our Right to Inspect the LSPF Business.** To determine whether you and your LSPF Business are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you, to:

- (a) inspect your LSPF Business;
- (b) observe, photograph and videotape the operations of the LSPF Business for such consecutive or intermittent periods as we deem necessary;
- (c) remove samples of any products, supplies or Materials that you are using for testing and analysis;
- (d) interview personnel and customers of your LSPF Business; and
- (e) inspect and copy any books, records and documents relating to your operation of the LSPF Business.

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal and interviews. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. You must promptly respond to requests for information and records from us, and immediately correct or repair any unsatisfactory conditions we specify. We reserve the right to charge you a reasonable fee for these inspections and surveys, and we may engage a third party to perform these functions on our behalf.

15.2. **Our Right to Audit.** We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are a Business Entity) and the LSPF Business' business, bookkeeping and accounting records, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information provided to us or maintained by you is not accurate by a factor understating the amount due us by 2% or more, you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. You also must immediately pay us any shortfall in the amounts you owe us, including late fees and interest. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

15.3. **Reports.** We may require you to use recordkeeping software that gives us remote, electronic access to your records and financial statements as set forth in this Agreement. However, if at any time we determine that you should use software or some other recordkeeping method that does not give us such access, then you agree to furnish to us on such forms, formats and using the methods that we prescribe from time to time:

(a) Within 15 days after the end of each calendar month, a profit and loss statement for your LSPF Business for the immediately preceding calendar month;

(b) no later than March 1 of each year (or the end of the second month of your fiscal year, if your fiscal year is not the calendar year), annual profit and loss and source and use of funds statements and a balance sheet for your LSPF Business as of the end of the immediately preceding fiscal year, prepared on a calendar-year basis; and

(c) In addition, you must furnish to us copies of all federal and state tax returns required to be filed by your LSPF Business no later than 45 days after their due date. We may, upon notice to you, designate other periods for reporting any information you must report to us.

In connection with all financial reports due to us, you must submit them to us utilizing our standard chart of accounts utilizing the accounting methods we determine appropriate from time to time. In doing so, you must utilize the accounting software that we specify (currently, QuickBooks accounting software). You may prepare the reports and records yourself, or hire a third party to do so, but the third party must follow our formats and accounting systems. We may require you to use a designated accounting service if we determine that you are not providing the statements and reports to us either accurately or on a timely basis.

## 16. **TRANSFER**

16.1. **By Us.** This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests.

16.2. **By You.** You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (nor any interest in it) nor any ownership or other interest in you or the LSPF Business may be transferred without our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) you; or (c) the LSPF Business.

An assignment, sale, gift or other disposition includes the following events:

(a) transfer of ownership of 10% capital stock or a partnership interest (whether directly or indirectly, or in a single transaction or series of transactions, where the net effect is to transfer 10% or more of the equity of your LSPF Business), or a lesser amount of the transfer results in a change of control of the LSPF Business, directly or indirectly;

(b) merger or consolidation or issuance of additional securities or interests representing an ownership interest in you;

(c) any issuance or sale of your stock or any security convertible to your stock;

(d) transfer of an interest in you, this Agreement or the LSPF Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law;

(e) transfer of an interest in you, this Agreement or the LSPF Business, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

(f) pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the LSPF Business or your transfer, surrender or loss of possession, control or management of the LSPF Business.

16.3. **Conditions for Approval of Transfer.** If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Section, we will approve a transfer that meets all the applicable requirements of this Section. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for LSPF Businesses Franchisees. A transfer of ownership, possession or control of the LSPF Business may be made only in conjunction with a transfer of this Agreement. If the transfer is of this Agreement or a controlling interest in you, or is one of a series of transfers which in the aggregate constitute the transfer of this Agreement or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

(a) the transferee has sufficient business experience, aptitude and financial resources to operate the LSPF Business;

(b) you have paid all amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;

(c) the transferee (or its owners) have agreed to complete our standard training program, at their expense;

(d) the transferee has agreed to be bound by all of the terms and conditions of this Agreement;

(e) the transferee has entered into our then-current form of Franchise Agreement for a term ending on the expiration date of this Agreement and requiring no initial franchise fee;

(f) the transferee agrees to upgrade the LSPF Business to conform to our then-current standards and specifications;

(g) you or the transferee pay us a transfer fee equal to 75% of our then-current initial franchise fee to defray expenses we incur in connection with the transfer, including the costs of training the transferee (or its owners) and other personnel. If the proposed transfer is with another LIFE SAVER POOL FENCE® franchisee, the transfer fee is equal to 50% of our then-current initial franchise fee. If the proposed transfer is among your owners or adding an additional non-controlling owner, the transfer fee will be equal to \$1,500 franchise fee to cover our administrative expenses;

(h) you (and your transferring owners) have signed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;

(i) we have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the LSPF Business;

(j) if you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the LSPF Business are subordinate to the transferee's obligation to pay to us amounts due us and otherwise to comply with this Agreement;

(k) you and your transferring owners (and your and your owners' spouses and children) have signed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in this Agreement; and

(l) you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other LSPF Businesses you own and operate) identify yourself or themselves or any business as a current or former, or as one of our licensees or Franchisees, use any Mark, any colorable imitation of any of the Marks or Copyrights, or other indicia of a LSPF Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

16.4. **Transfer to a Business Entity.** If you are in full compliance with this Agreement, you may transfer this Agreement to a Business Entity that conducts no business other than the LSPF Business and, if applicable, other LSPF Businesses so long as you own, control and have the right to vote 51% or more of its issued and outstanding ownership interests (like stock or partnership interests) and you guarantee its performance under this Agreement. All other owners are subject to our approval. The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval,

and all certificates or other documents representing ownership interests in the Business Entity must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or transfer of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that all proposed owners sign an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of, all of your obligations under this Agreement.

16.5. **Transfer Upon Death or Disability.** Upon your death or disability or, if you are a Business Entity, the death or disability of the owner of a controlling interest in you, we may require you (or such owner's executor, administrator, conservator, guardian or other personal representative) to transfer your interest in this Agreement (or such owner's interest in you) to a third party. Such disposition (including, without limitation, transfer by bequest or inheritance) must be completed within the time we designate, not less than 1 month but not more than 6 months from the date of death or disability. Such disposition will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the LSPF Business.

16.6. **Operation Upon Death or Disability.** If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the LSPF Business is not being managed by a trained manager, your or such owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a manager to operate the LSPF Business. Such manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the LSPF Business is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager for the LSPF Business. All funds from the operation of the LSPF Business during the management by our appointed manager will be kept in a separate account, and all expenses of the LSPF Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge the Management Fee (in addition to the Royalties and the System Fund Contributions payable under this Agreement) during the period that our appointed manager manages the LSPF Business. Operation of the LSPF Business during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the LSPF Business or to any of your creditors for any products, materials, supplies or services the LSPF Business purchases during any period it is managed by our appointed manager.

16.7. **Effect of Consent to Transfer.** Our consent to a transfer of this Agreement and the LSPF Business or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the LSPF Business or transferee or a waiver of any claims we may have against you (or your owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

16.8. **Our Right of First Refusal.** If you (or any of your owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the LSPF Business or an ownership interest in you, you (or such owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of 20% or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror and, in the case of a

publicly-held corporation or limited partnership) and within 15 days of receipt submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the LSPF Business and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the LSPF Business must reflect the bona fide price offered and not reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within 60 days from the date of the delivery to us of both an exact copy of such offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that:

- (a) we may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments);
- (b) our credit will be deemed equal to the credit of any proposed purchaser;
- (c) we will have not less than 60 days after giving notice of our election to purchase to prepare for closing; and
- (d) we are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:
  - (e) ownership and condition of and title to stock or other forms of ownership interest and/or assets;
  - (f) liens and encumbrances relating to the stock or other ownership interest and/or assets; and
  - (g) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer, provided that, if the sale to such purchaser is not completed within 90 days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of such 90-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

## 17. **SUCCESSOR TERMS**

17.1. **Acquisition.** Upon expiration of this Agreement, subject to the conditions of this Section, you will have the right to acquire a successor franchise to operate the LSPF Business for 3 additional 5-year periods on the terms and conditions of the franchise agreement we are then using in granting franchises for LSPF Businesses, if you (and each of your owners) have substantially complied with this Agreement

during its term, and you modify the LSPF Business as we require to bring it into compliance with specifications and standards then applicable for LSPF Businesses.

17.2. **Procedure.** You must give us written notice of your election to acquire a successor franchise during the last year of the Term, but no later than 180 days before expiration. We will respond (“**Response Notice**”), within 30 days after we receive your notice, of our decision, either:

- (a) to grant you a successor franchise;
- (b) to grant you a successor franchise on the condition that deficiencies of the LSPF Business, or in your operation of the LSPF Business, are corrected; or
- (c) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

If applicable, our Response Notice will:

- (i) describe the modifications required to bring the LSPF Business into compliance with then applicable specifications and standards for LSPF Businesses; and
- (ii) state the actions you must take to correct operating deficiencies and the time period in which such deficiencies must be corrected.

If we elect not to grant a successor franchise, the Response Notice will describe the reasons for our decision. Your right to acquire a successor franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice.

In our discretion, we may extend the Term for such period of time as we deem necessary in order to provide you with either reasonable time to correct deficiencies or 30 days’ notice of our refusal to grant a successor franchise.

17.3. **Agreements/Releases.** If you satisfy all of the other conditions to the grant of a successor franchise, you and your owners agree to sign the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of successor franchises for LSPF Businesses. You and your owners further agree to sign general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and signature within 30 days after their delivery to you will be deemed an election not to acquire a successor franchise.

17.4. **Training and Refresher Programs.** Our grant of a successor franchise is also conditioned on the satisfactory completion by you (or your owners) of any new training and refresher programs as we may reasonably require.

17.5. **Fees and Expenses.** Our grant of a successor franchise is contingent on your payment to us of a successor franchise fee of \$3,000. We must receive the fee from you at the time of your election, but not later than 30 days prior to the applicable expiration date.

17.6. **Subsequent Successor Franchises.** The fees and other conditions for any later granting of subsequent successor franchises will be governed by the successor franchise agreement (as described above).

18. **COMPETITIVE RESTRICTIONS**

18.1. **Confidential Information.** During the Term, we will give you, and you will have access to, a variety of information concerning us and our business including: the Manual; System Standards; marketing methods; customer lists; referral sources; billing and collection methods; financial information; makeup and functions of the Software and Computer System; other information about us and information about our strategic partners, business plans, employees, and independent contractors; and knowledge and experience in marketing, selling and providing the Products and Services (collectively, the “**Confidential Information**”). You acknowledge that we have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information. We consider the Confidential Information confidential and our trade secrets, where applicable.

18.2. **Restrictions On Use.** You will use your best efforts and diligence both during and after your engagement by us to protect the Confidential Information and our Client goodwill. You will not, directly or indirectly, use (for yourself or others) or disclose any of the Confidential Information for so long as it remains proprietary or protectable as confidential or trade secret information, except as may be necessary for the performance of your duties on our behalf.

18.3. **Notices.** If you or anyone to whom you transmit the Confidential Information becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demands or similar process) to disclose any Confidential Information, you must immediately notify us in writing so that we may seek a protective order or other remedy. In any event, you will furnish only that portion of the Confidential Information which is legally required and exercise your best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information.

18.4. **Return.** If your engagement with us ends for any reason, or any other time at our request, you must promptly deliver to us any and all documents or other materials (including information embodied in intangible form, e.g., in computer memory) in your possession or control relating, directly or indirectly, to any Confidential Information and all copies of it without retaining any copies, duplicates, extracts or portions of it.

18.5. **Competitive Activities.** You acknowledge our legitimate business interest in the Confidential Information, the customers and goodwill associated with our LSPF Businesses. Accordingly, unless we otherwise permit in writing or except in accordance with another franchise agreement with us, you must not, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, stockholder, officer or otherwise of another or on your own account), do any of the following:

(a) ***In Term:*** During the Term participate in the development of, or engage in or contribute your knowledge to any work or activity that relates to or involves any of the Confidential Information or is in any way engaged in the business of performing, marketing, selling or providing products or services the same or similar to Products and Services (a “**Competitive Business**”): (i) anywhere; (ii) within the Territory; (iii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iv) via the Internet or other form of e-commerce, wherever located; or (v) within 25 miles of any geographic area that we have awarded to any other LSPF Business.

(b) ***Post Term:*** For a period of 2 years following the expiration of the Term, termination for any reason or transfer (to anyone, including to us or an affiliate pursuant to our right of first refusal), participate in the development of, or engage in or contribute your knowledge to any work or activity that relates to or involves any of the Confidential Information or is in any

way engaged in a Competitive Business: (i) within the Territory; (ii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 25 miles of any geographic area that we have awarded to any other LSPF Business as of the date of termination or expiration of this Agreement.

(c) During the Term and for a period of 2 years following its expiration, termination for any reason or transfer (to anyone):

(i) Induce or attempt to induce, or solicit any of our or other LSPF Businesses' strategic partners, clients, customers, referral sources or employees or independent contractors to accept employment or an affiliation involving work that may be competitive to our (or our affiliates') businesses or otherwise with any Competitive Business of which you are an employee, owner, partner, shareholder, consultant or agent, or which may reasonably relate to any of the Confidential Information; and/or

(ii) Solicit, divert, contact, take away or interfere with any of our businesses, customers, clients, referral sources, insurers, suppliers, or contractors with whom we (or our affiliates) do business or whom you know we have contacted or solicited for business relationships, or those of any of our affiliates or Franchisees.

18.6. **Injunction.** Due to our interest in the Confidential Information and customer goodwill, you agree that damages cannot fully compensate us if you breach this Agreement. Thus, if you breach this Agreement, we are entitled to an injunction restraining you from any further breach. We may obtain the injunction without bond and without notice. Your only remedy if such an injunction is issued, is its dissolution, if warranted, upon an appropriate hearing. You waive any claims for damages as a result of the obtaining of any such injunction.

18.7. **Extension of Time Period.** The time period during which you are to refrain from the activities described in this Section, will be extended by any length of time during which you are in breach of this Agreement. This Agreement will continue through the duration of the extended time periods.

18.8. **Suspension of Payments.** We will not be required to pay you any amounts otherwise due you during any period of time in which you are in breach of this Section of this Agreement. Upon such a breach, you forfeit payment of such amounts without limitation on any other remedies available to us for redress.

## 19. **TERMINATION**

19.1. **Notice/By Us.** We may terminate this Agreement effective 30 days after notice to you if you have materially breached this Agreement, or if the breach cannot reasonably be cured within such 30-day period, you do not commence within such 30-day period reasonable good faith efforts to do so and continue them until cure is accomplished.

19.2. **Immediate/By Us.** Without limiting any of our rights to terminate this Agreement upon your breach of it, we may, at any time, terminate this Agreement effective immediately upon written notice if:

(a) you make any material misrepresentation or omission to us in relation to our continuing business relationship;

(b) you are convicted by a trial court of, plead no contest or enter into a consent decree in connection with, any felony or other crime or offense that is likely to adversely affect your reputation, our reputation or otherwise involving any breach of trust;

(c) you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of your LSPF Business or another LSPF Business or the goodwill associated with the Marks;

(d) a court of proper jurisdiction declares invalid or unenforceable any part of this Agreement relating to either (i) the payment of fees or royalties or (ii) the preservation of the Marks;

(e) you make any unauthorized direct or indirect assignment of this Agreement;

(f) you fail to obtain or maintain any licenses, permits, certifications or registrations you are required to have in order to operate your LSPF Business in the jurisdictions in which you operate, or such licenses, permits, certifications or registrations are suspended or revoked for any reason;

(g) you fail to make payments of any amounts due to us, our affiliates or your suppliers or vendors and do not correct such failure within 15 days after written notice of such failure is delivered to you;

(h) you fail on 2 or more separate occasions within any period of 12 consecutive months or on 3 occasions during the Term to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you;

(i) you (or any of your owners) surrender, assign or transfer ownership or control of the operation of your LSPF Business in violation of the terms of this Agreement;

(j) you make any unauthorized use, duplication or disclosure of any Confidential Information;

(k) you file a voluntary or involuntary petition in bankruptcy or have a petition in bankruptcy filed against you or you otherwise make an assignment for the benefit of creditors or experience any act of insolvency or enter into any proceedings for the benefit of creditors;

(l) you fail to commence operations of your LSPF Business within the time limits otherwise required by this Agreement;

(m) you default under any agreement between you or your affiliates, on the one hand, and us or our affiliates on the other hand (including any supply agreements with Life Saver Pool Fence Systems, Inc.), where such default results in termination of the agreement; or

(n) you fail to meet the minimum Gross Sales requirements described in Section 3.6 of the Franchise Agreement.

19.3. **Obligations Upon Termination.** Upon any expiration or termination of this Agreement for any reason, you must immediately:

- (a) cease to use any of the Confidential Information, the Marks and the Copyrights;
- (b) cease to use any of the licensed Software and return to us any licensed Software and any copies of the licensed Software;
- (c) return to us all of your copies of any materials containing any of the Confidential Information or any materials bearing the Marks or the Copyrights;
- (d) cooperate in assigning to us any and all vendor or supplier agreements or contracts or agreements with customers of your LSPF Business, which will be automatic at our option as a result of the termination or expiration;
- (e) cease all use of all of our Marks, Copyrights, marketing materials and brochures and stop holding yourself out to the public as associated with us in any way; and
- (f) assign to us all telephone numbers and directory listings associated in any way with our trade name.

19.4. **Survival.** All obligations under this Agreement (whether yours or ours) which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding the expiration or termination of this Agreement until such provisions are satisfied in full or by their nature expire.

19.5. **Our Right to Operate Business.** If you are in default under this Agreement, we may in our sole option, upon notice to you, appoint a manager to manage the day-to-day operations of your business for such time periods as we may designate. All funds from the operation of your LSPF Business during the management by our appointed manager will be kept in a separate account, and all expenses of the LSPF Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a weekly management fee of 3% of the Gross Sales of the LSPF Business plus our travel and living expenses (in addition to the Royalties, System Fund Contributions and other fees payable under this Agreement) during the period that our appointed manager manages the LSPF Business (the “**Management Fee**”). Operation of the LSPF Business during any such period will be on your behalf, provided that we only have a duty to utilize commercially reasonable efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the LSPF Business or to any of your creditors for any products, materials, supplies or services the LSPF Business purchases during any period it is managed by our appointed manager.

## 20. **NOTICE**

All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered:

- (a) at the time delivered by hand;
- (b) 1 business day after transmission by facsimile, telecopy or other electronic system (including e-mail to your e-mail address we customarily use to communicate with you);
- (c) 1 business day after being placed in the hands of a commercial airborne courier service for next business day delivery; or

(d) 4 business days after placement in the United States mail by registered or certified mail, return receipt requested, postage prepaid.

(e) All such notices must be addressed to the parties as follows:

To: Life Saver Franchising, Inc.  
Attn: Eric Lupton  
1085 SW 15th Avenue, #E3  
Delray Beach, Florida 33444  
Tel.: 561.272.8242  
Email: [eric@poolfence.com](mailto:eric@poolfence.com)

To: \_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Tel.: \_\_\_\_\_  
Fax: \_\_\_\_\_

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within 5 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least 4 days prior to such date, or in which the receipt from the commercial courier service is not dated prior to 2 days prior to such date) will be deemed delinquent.

21. **NO GUARANTIES**

We disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of LSPF Businesses generally, the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of LSPF Businesses. You acknowledge that:

(a) any statements regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document, or consistent with the Franchise Disclosed Document, and delivered to you prior to signing this Agreement;

(b) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing LSPF Businesses that is not contained in our Franchise Disclosure Document, or that is contrary to or different from the information in our Franchise Disclosure Document, is unauthorized, unwarranted and unreliable and should be reported to us immediately;

(c) you have not received or relied on any representations about the LSPF Business made by us, or our officers, directors, employees or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement.

22. **REPRESENTATIONS**

To induce us to enter into this Agreement with you, you represent and warrant that:

- (a) in all of your dealings with us, our officers, directors, employees and agents act only in a corporate capacity and not in an individual capacity;
- (b) this Agreement, and all business dealings between you and such individuals as a result of this Agreement, are solely between you and us;
- (c) you have made no misrepresentations in obtaining the Franchise;
- (d) you understand that we do not grant a Franchise to you and this Agreement is not effective until we sign this Agreement (and all associated agreements between you and us or our affiliates);
- (e) you agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with Executive Order 13224 issued by the President of the United States, 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 addressing or in any way relating to terrorist acts and acts of war (the “**Anti-Terrorism Laws**”). In connection with such compliance you certify, represent and warrant that none of your, or your owners’ employees’ or agents’ property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws that you and your owners, agents and employees are not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by you or your owners, agents or employees or any “blocking” of your or their assets under the Anti-Terrorism Laws will constitute grounds for immediate termination of this Agreement and any other Agreements you have entered into with us or any of our affiliates, in accordance with the termination provisions of this Agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## 23. **BUSINESS ORGANIZATION**

If you are (at any time) a business organization (like a corporation, limited liability company or partnership) (a “**Business Entity**”), you agree and represent that:

- (a) You have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;
- (b) Your organizational or governing documents will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;
- (c) You will completely and accurately describe all of your owners and their interests in you in the Principal Owner’s Statement (a copy of the form of which is attached as an Exhibit to the Franchise Disclosure Document);

(d) You and your owners agree to revise the Principal Owner's Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request;

(e) Each of your owners that are active in the LSPF Business at any time during the Term, and any such owner that has beneficial ownership of 10% or more of your ownership interests (stock, etc.), must sign and deliver to us our standard form of Principal Owner's Guaranty (a copy of which is attached as an Exhibit to our Franchise Disclosure Document), undertaking to be bound jointly and severally by all provisions of this Agreement, any other agreements between you and us, or obligations you owe us at any time; and

(f) At our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and your agents (like articles of incorporation or organization and partnership, operating or shareholder agreements).

## 24. **MISCELLANEOUS**

24.1. **Cumulative Remedies.** The remedies available to any party if the other party breaches this Agreement are cumulative. The exercise of any remedy will not limit any other remedies that may be available. Both parties will also be entitled to any and all remedies available under applicable law.

24.2. **Limitation of Liability.** Neither of the parties will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

- (a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;
- (b) acts of God;
- (c) acts or omissions of a similar event or cause; or
- (d) any such delay as may be reasonable.

However, such delays or events do not excuse payments of amounts owed at any time.

24.3. **Approval and Consents.** Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to make decisions on our part with or without cause and to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

24.4. **Waiver of Punitive Damages.** Without limiting your obligations to indemnify us pursuant to this agreement, you and we each waive to the full extent permitted by law any right to, or claim for, any punitive or exemplary damages against the other. You and we also agree that, in the event of a dispute between you and us, the party making a claim will be limited to recovery of any actual damages it sustains.

24.5. **Limitations of Claims.** Any and all claims arising out of this agreement or the relationship among you and us must be made by written notice to the other party within 1 year from the occurrence of

the facts giving rise to such claim (regardless of when it becomes known); except for claims arising from: (a) claims for indemnification; and/or (b) unauthorized use of the marks or confidential information. However, this provision does not limit the right to terminate this agreement in any way.

24.6. **Governing Law.** Except to the extent this agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 and the sections following it) or other federal law, this agreement and the franchise are governed by the law of the state in which our principal headquarters is located, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchise associate, unless the jurisdictional requirements of such laws are met independently without reference to this section. References to any law or regulation also refer to any successor laws or regulations and any impending regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

24.7. **Jurisdiction.** You consent and irrevocably submit to the jurisdiction and venue of any state or federal court of competent jurisdiction located in the county and state in which our principal headquarters is located, and waive any objection to the jurisdiction and venue of such courts. The exclusive choice of jurisdiction does not preclude the bringing of any action by the parties or the enforcement by the parties in any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction or the right of the parties to confirm or enforce any arbitration award in any appropriate jurisdiction.

24.8. **Waiver of Jury Trial.** You and we each irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either you or us.

24.9. **Severability.** If any of the provisions of this Agreement are held invalid for any reason, the remainder will not be affected and will remain in full force and effect in accordance with its terms.

24.10. **Litigation Expenses.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party will be entitled to full reimbursement of its litigation or arbitration expenses from the other party. Litigation expenses include attorneys' fees, defense costs, witness fees and other related expenses including paralegal fees, travel and lodging expenses and court costs. Reimbursement is due within 30 days of written notice after prevailing.

24.11. **Waivers.** Waiver of any provision of this Agreement will not be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this Agreement.

24.12. **Entire Agreement.** This Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us and supersedes any and all prior negotiations, understandings, representations and agreement; **provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.** There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by both you and us.

24.13. **Construction.** The headings of sections are for convenience only and do not define, limit or construe the contents of such sections. In computing periods from a specified date to a later specified date, the words "from" and "commencing on" or "beginning on" (and the like) mean "from and including" and the words "to," "until" and "ending on" (and the like) mean "to but excluding." "Including" means "including, but not limited to." "A or B" means A or B or both.

24.14. **Continuing Obligations.** All obligations of the parties which expressly or by their nature survive the expiration or termination of this Agreement continue in full force and effect subsequent to and regardless of the expiration or termination of this Agreement and until they are satisfied or by their nature expire.

24.15. **Counterparts.** The parties may sign this Agreement in counterparts. Each signed counterpart will be an original; and all of them constitute one and the same Agreement.

24.16. **Pronouns.** All words used in this Agreement, regardless of the number or gender in which they are used, will be construed to include any other number, singular or plural, in any other gender, masculine, feminine or neuter, as the context of this Agreement may require.

24.17. **Timing.** Time is of the essence of this Agreement. However, whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time will be extended to the next business date. Indications of time of day mean time at the location where our principal headquarters is located.

*Signature Page Follows*

This Agreement is not effective until it has been signed by one of our authorized officers and a counterpart delivered to you.

Intending to be bound, the parties sign below:

**“US”:**  
**LIFE SAVER FRANCHISING, INC.**

**“YOU”:**  
\_\_\_\_\_  
*[Business Entity Name]*

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

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

**EXHIBIT “A”**

**TERRITORY**

Your Territory consists of the geographic area comprised of the following ZIP Codes:

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A map of the Territory is attached to this Exhibit “A” for convenience and displays and marks the Territory, but the description above supersedes any conflict with the map.

*Map of Territory on the following page.*

**ATTACHMENT TO EXHIBIT “A”**  
**MAP OF TERRITORY**

**EXHIBIT "B"**

**FRANCHISE FEE**

Your Franchise Fee is equal to \_\_\_\_\_, which is calculated as follows: (a) our base Franchise Fee of \$35,000, plus; (b) \_\_\_\_\_, which is the additional fee for incremental households in your Territory exceeding our standard territory population.

If you qualify for a reduced Franchise Fee as described in Item 5 of our most recent Franchise Disclosure Document, your Franchise Fee is equal to \_\_\_\_\_.

**EXHIBIT A-1 TO THE DISCLOSURE DOCUMENT**

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**CONVERSION ADDENDUM TO  
FRANCHISE AGREEMENT**

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**CONVERSION ADDENDUM TO  
LIFE SAVER POOL FENCE®  
FRANCHISE AGREEMENT**

**THIS CONVERSION ADDENDUM** (this “**Addendum**”) **TO THE LIFE SAVER POOL FENCE® FRANCHISE AGREEMENT** (the “**Agreement**”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”), regardless of the actual date of signature. The parties to this Agreement are **LIFE SAVER FRANCHISING, INC.**, a Florida corporation, with its principal business address at 1085 SW 15<sup>th</sup> Ave, Unit E3, Delray Beach, FL 33444 (referred to in this Agreement as “**we**,” “**us**” or “**our**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**” or “**Franchise Owner**”).

1. **Incorporation and Precedence.** This Addendum is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Addendum governs, controls and supersedes any inconsistent or conflicting terms of the Agreement. Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement.

2. **Conversion Program.** You have been operating a business under an agreement with our affiliate, Life Saver Pool Fence Systems, Inc. (the “**Dealer Business**”), located at \_\_\_\_\_ (the “**Dealer Location**”) and desire to convert the Dealer Business to a LIFE SAVER POOL FENCE® franchise under the Agreement.

3. **Initial Franchise Fee.** Your initial franchise fee will be \$-0-.

4. **Initial Training.** You are required to complete our standard Initial Training program; however, we may waive the obligation for your Certified Installers to complete the Installer Training Program if we determine that your existing Certified Installers have adequate experience and training and otherwise meet our System Standards.

5. **Opening of the Business.** You must commence operations of your LSPF Business within 2 months of the Effective Date (the “**Commencement Date**”). If you do not commence operations of your LSPF Business within such time, we may terminate the Agreement.

6. **Installation Helper.** You must engage an installation helper not later than the 13th month following the Commencement Date. The installation helper will perform the duties described in the Manuals.

7. **Business Entity.** If the name of your business entity is not compliant with the naming conventions set forth in the Agreement and the Manuals, then, within 60 days of the Effective Date, you must either rename your business entity or form a new business entity to operate your Business, which, in either case, must bring your business entity name into compliance. In addition, you may be required to obtain a fictitious name, assumed name or “doing business as” registration as set forth in the Agreement and the Manuals.

8. **Vehicle.** We will provide the wrapping and signage required for one of your vehicles at our cost; however, you will be responsible for the cost of installation.

Intending to be bound, the parties sign and deliver this Addendum as of the Effective Date, regardless of the actual date of signature.

**“US”:**  
**LIFE SAVER FRANCHISING, INC.**

**“YOU”:**  
\_\_\_\_\_  
*[Business Entity Name]*

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

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

**EXHIBIT B TO THE DISCLOSURE DOCUMENT**

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**FINANCIAL STATEMENTS**

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**LIFE SAVER FRANCHISING, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**LIFE SAVER FRANCHISING, INC.**  
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## INDEPENDENT AUDITORS' REPORT

Members  
Life Saver Franchising, Inc.  
Delray Beach, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Life Saver Franchising, Inc. (a Florida corporation), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

#### ***Basis for Opinion***

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

***Prior Period Financial Statements***

The 2022 financial statements were audited by other auditors, and their report thereon, dated January 12, 2023, expressed an unmodified opinion to those statements.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
March 31, 2025

**LIFE SAVER FRANCHISING, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2024, 2023 AND 2022**

	2024	2023	2022
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 73,051	\$ 180,864	\$ 101,500
<b>PROPERTY AND EQUIPMENT (Net Accumulated Depreciation)</b>	3,421	4,062	-
Total Assets	\$ 76,472	\$ 184,926	\$ 101,500
<b>LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 14,073	\$ 170,355	\$ -
Related Party Payable	1,431,916	311,790	-
Total Liabilities	1,445,989	482,145	-
<b>MEMBERS' EQUITY (DEFICIT)</b>	(1,369,517)	(297,219)	101,500
Total Liabilities and Members' Equity (Deficit)	\$ 76,472	\$ 184,926	\$ 101,500

See accompanying Notes to Financial Statements.

**LIFE SAVER FRANCHISING, INC.**  
**STATEMENTS OF OPERATIONS**  
**YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

	2024	2023	2022
<b>FRANCHISE INCOME</b>			
Franchise Fees	\$ 168,000	\$ 147,000	\$ -
Royalty Fees	109,815	44,243	-
System Fund Contributions	21,794	14,773	-
Technology Fees	7,825	2,975	-
Total Franchise Income	307,434	208,991	-
<b>OPERATING EXPENSES</b>			
Administration	756,654	373,621	-
Training	448,057	151,931	-
Marketing and Advertising	158,830	78,474	-
Rent	14,891	2,800	-
Interest	659	456	-
Depreciation	641	428	-
Total Operating Expenses	1,379,732	607,710	-
<b>NET LOSS</b>	\$ (1,072,298)	\$ (398,719)	\$ -

See accompanying Notes to Financial Statements.

**LIFE SAVER FRANCHISING, INC.**  
**STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)**  
**YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

	<u>Members' Equity (Deficit)</u>
<b>BALANCE - DECEMBER 31, 2021</b>	\$ -
Contributions	101,500
<b>BALANCE - DECEMBER 31, 2022</b>	101,500
Net Loss	(398,719)
<b>BALANCE - DECEMBER 31, 2023</b>	(297,219)
Net Loss	(1,072,298)
<b>BALANCE - DECEMBER 31, 2024</b>	\$ (1,369,517)

*See accompanying Notes to Financial Statements.*

**LIFE SAVER FRANCHISING, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Loss	\$ (1,072,298)	\$ (398,719)	\$ -
Charges and Credits to Net Loss Not Affecting Cash:			
Depreciation	641	428	-
Changes in Assets and Liabilities:			
Accounts Payable	(156,282)	170,355	-
Due to Related Party	1,120,126	311,790	-
Net Cash Provided (Used) by Operating Activities	(107,813)	83,854	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property and Equipment Purchases	-	(4,490)	-
Net Cash Provided (Used) by Operating Activities	-	(4,490)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Contributions	-	-	101,500
Net Cash Provided (Used) by Financing Activities	-	-	101,500
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(107,813)	79,364	101,500
Cash and Cash Equivalents - Beginning of Year	180,864	101,500	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 73,051	\$ 180,864	\$ 101,500
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Cash Paid During the Year:			
Interest	\$ 659	\$ 456	\$ -

See accompanying Notes to Financial Statements.

**LIFE SAVER FRANCHISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principal Business Activity**

Life Saver Franchising, Inc. (The Company) is a Florida S-corporation which was formed in October 2022 to offer franchises that sell and install the highest quality and safest pool safety products, including removable mesh pool fence and other products and services to residential customers.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Accounting Estimates**

Management uses estimates and assumptions in preparing the financial statement in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Income Taxes**

The Company has elected to be taxed as a Sub "S" corporation for federal and state income tax purposes. Income and expenses for the Company pass through directory to the shareholders and is reported on their individual income tax returns.

**Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. Depreciation of property and equipment is computed on the straight-line and accelerated methods over the useful lives of the assets which range from 5 to 19 years as follows:

Buildings and Improvements	5 - 19 Years
Equipment and Vehicles	5 - 10 Years
Computers and Furniture	5 - 7 Years

**Deferred Revenue**

Deferred revenue represents franchise fees received that have not been fully earned and will be recognized in future periods.

**LIFE SAVER FRANCHISING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023 AND 2022**

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

**Revenue Recognition**

The Company generates revenue through franchise fees, royalty fees, and system fund contributions fees:

**Franchise Fees**

The Company currently franchises its concept across the country. The franchise agreement include a multitude of services to be provided by the Company such as the granting of certain licensing rights, provision of training, operational assistance, technical and administrative support, in addition to marketing and promotional services. Certain services under the franchise agreement are considered pre-opening services and are treated as one performance obligation which is fulfilled at the date of opening.

The portion of initial franchise fees allocated to pre-opening services are recognized upon opening in accordance with ASU 2021-02. Any remaining portion of franchise fees are allocated to the franchise license and are recognized ratably on a straight-line basis over the term of the franchise agreement. Franchise agreements generally have an initial term of five years. Franchisees have the right, but not the obligation, to enter into “successor” franchise agreements for three consecutive terms of five years each. Franchise fees are due at the franchise agreement date, they are initially recorded as a contract liability until performance obligations under the agreement are fulfilled. Contract liabilities are presented as deferred revenue on the financial statements.

**Royalty Fees**

Royalty fees are calculated as a percentage of gross sales from customers by franchisees. Royalty fees represent sales-based royalties that are related entirely to the Company’s performance obligation under the franchise agreement. Royalty fees are billed to franchisees each week and are recognized as franchisees earn gross revenue from customers.

**System Fund Contributions**

System fund contributions are calculated as a percentage of gross sales from customers by franchisees. System fund contributions are recognized as related expenses are incurred, with amounts collected in excess of expenditures deferred as restricted funds payable on the accompanying financial statements. There are no restricted funds payable as of December 31, 2024, 2023 or 2022 as the Company has expended more than its system fund receipts, on applicable costs.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense was \$158,830, \$78,474, and \$- for the years ended December 31, 2024, 2023 and 2022, respectively.

**LIFE SAVER FRANCHISING, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024, 2023 AND 2022**

**NOTE 2 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	2024	2023	2022
Equipment	4,490	4,490	-
Less: Accumulated Depreciation	(1,069)	(428)	-
Net Property and Equipment	\$ 3,421	\$ 4,062	\$ -

Depreciation expense charged to operations for 2024, 2023 and 2022 was \$641, \$428 and \$- respectively.

**NOTE 3 RELATED PARTY TRANSACTIONS**

The Company has a formal agreement with a related party, Life Saver Pool Fence Systems, Inc. (Systems), whereas Systems provides specialized training consulting services on behalf of the Company to newly obtained franchisee groups.

As of December 31, 2024, the Company owes Systems \$1,431,916 for such services provided to franchisees and management fees charged by Systems related to general operations. This balance is due on demand to Systems and is accounted for in current liabilities on the accompanying balance sheets.

**NOTE 4 MEMBERS' EQUITY**

In 2022, the members contributed \$101,500 to the Company in exchange for the issuance of 100% of the Company's membership interest. The membership interest in the Company owned by the members is the only class of membership interest issued and outstanding as of December 31, 2024, 2023 and 2022.

**NOTE 5 FRANCHISE SALES AND AGREEMENTS**

At December 31, 2024, there were 10 locations in operation and 2 additional franchise agreements signed but not in operation.

**NOTE 6 SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 31, 2025, the date the financial statements were available to be issued.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAglobal.com/disclaimer](http://CLAglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

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**EXHIBIT D TO THE DISCLOSURE DOCUMENT**

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**LIST OF STATE AGENCIES/AGENTS**

**FOR SERVICE OF PROCESS**

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If a state is not listed below, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed below.

<b>STATE</b>	<b>STATE REGULATORY AGENCY</b>	<b>AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY</b>
California	Department of Financial Protection and Innovation <i>Los Angeles</i> 320 West 4 <sup>th</sup> Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 <i>Sacramento</i> 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 <i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department State Capitol 5th Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department State Capitol 5th Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98507-1200 (360) 902-8760	Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, Wisconsin 53701 (608) 266-2801	

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**

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**STATE SPECIFIC ADDENDA AND RIDERS**

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**CALIFORNIA ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF CALIFORNIA**

The following paragraphs are added to the disclosure document:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

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.

The Franchise Compliance Certificate is not applicable in California.

The following is added to Item 3 of the disclosure document

Neither the franchisor nor any person or franchise broker in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

The following is added to Item 5 of the disclosure document:

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

**Multi-Market Accounts.** Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable

**California Law Regarding Termination and Nonrenewal.** California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control. In particular, Business and Professional Code section 20010 voids a waiver of your rights under the Franchise Relations Act.

**Termination Upon Bankruptcy.** The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

**Post-Termination Noncompetition and Non-solicitation Covenants.** The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law. The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision) in section 18.5(c) of the Franchise Agreement that is disclosed in Item 17, rows q and r.

**Applicable Law.** The Franchise Agreement and the Conversion Addendum require application of the laws of the State of Florida with certain exceptions. These provisions may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.

**Liquidated Damages.** The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

**Requirement for Franchisee to Renew or Extend.** You must sign a general release if you renew or transfer your franchise. California Corporations Code section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code, sections 31000 through 31516). Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code section 20000 through 20043).

**Modification of the Agreement.** Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

The following paragraph is added to Item 19 of the Disclosure Document:

The financial performance representation does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your LSPF Business. Franchisees or former franchisees may be one source of this information.

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN CALIFORNIA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The payment of initial franchise fees and any other payments due us are deferred until the Franchisor has performed all initial obligations owed the Franchisee and the Franchisee has commenced doing business. This financial assurance requirement is imposed by the California Department of Financial Protection and Innovation based on our financial condition.

3. **Acknowledgments.** Section 1.2 and Section 21 are deleted in their entirety.

4. **Non-Solicitation.** Section 18.5(c) is deleted in its entirety. The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/non-solicitation provision) in section 18.5(c) of the Franchise Agreement that is disclosed in Item 17, rows q and r.

4. **Waiver of Punitive Damages and Limitations of Claims.** Sections 24.4 and 24.5 of the Agreement are amended by adding the following:

These provisions may violate California Corporations Code section 31512, since Corporations Code section 31300 provides for damages without limitation, 31303 provides a four-year statute of limitations, 31304 provides a two-year statute of limitations for certain claims under the California Franchise Investment Law.

No statement, questionnaire, or acknowledgment signed 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.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

**LIFE SAVER FRANCHISING, INC.**

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

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

**HAWAII ADDENDA AND RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF HAWAII**

1. The following paragraphs are added to the disclosure document:

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. The following is added to Items 5 and 21 of the disclosure document.

The payment of initial franchise fees and any other payments due us are deferred until the Franchisor has performed all initial obligations owed the Franchisee and the Franchisee has commenced doing business. This financial assurance requirement is imposed by the Hawaii Department of Commerce and Consumer Affairs based on our financial condition.

**RIDER**  
**LIFE SAVER FRANCHISING, INC.**  
**FRANCHISE AGREEMENT**  
**FOR USE IN HAWAII**

This Rider is entered into this \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The payment of initial franchise fees and any other payments due us are deferred until the Franchisor has performed all initial obligations owed the Franchisee and the Franchisee has commenced doing business. This financial assurance requirement is imposed by the Hawaii Department of Commerce and Consumer Affairs based on our financial condition.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

**LIFE SAVER FRANCHISING, INC.**

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

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

**ILLINOIS ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF ILLINOIS**

The following is added to the disclosure document:

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Multi-market accounts exist in this franchise system and may be located within your Territory. You may, but are not obligated to, market and sell your franchised products and services to Multi-Market Accounts on the terms, conditions and pricing set by the Franchisor. If you elect not to do so, any other franchisee or affiliate of the Franchisor will service the account.

The following is added to Item 5 of the disclosure document:

The payment of initial franchise fees and any other payments due us are deferred until we have satisfied all of our pre-opening obligations to you and you have commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

The paragraph titled "Cross-Territory Policy" set forth in Item 12 is hereby deleted, and all other reference to the Cross-Territory Policy is hereby deleted from the disclosure document and is not applicable in of Illinois.

The following is added to Item 17 of the disclosure document:

Illinois law governs the franchise agreement(s).

Section 4 of the Illinois Franchise Disclosure Act states that any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Disclosure Act.

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.

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The payment of initial franchise fees and any payments due us for the Establishment Package are deferred until the Franchisor has performed all initial obligations owed the Franchisee and the Franchisee has commenced doing business. The Illinois Attorney General’s Office imposed this deferral requirement due to our financial condition.

3. **Cross-Territory Policy.** Section 3.5 of the Agreement is hereby deleted in its entirety.

4. **Multi-Market Accounts.** Multi-market accounts exist in this franchise system and may be located within your Territory. You may, but are not obligated to, market and sell your franchised products and services to Multi-Market Accounts on the terms, conditions and pricing set by the Franchisor. If you elect not to do so, any other franchisee or affiliate of the Franchisor will service the account.

5. **Termination.** The following is added to Section 19 of the Agreement:

The conditions under which this franchise can be terminated and a franchisee’s rights upon nonrenewal are set forth in Section 19 and 20 of the Illinois Franchise Disclosure Act.

6. **Questionnaires and Acknowledgements.** No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. **Governing Law and Jurisdiction.** Sections 24.6 and 24.7 of the Agreement are amended by adding the following:

Illinois law governs the franchise agreement(s). Section 4 of the Illinois Franchise Disclosure Act states that any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

8. **Waiver of Jury Trial.** Section 24.8 of the Agreement is deleted in its entirety.

9. **No Waiver.** Be advised that any condition, stipulation, or provision purporting to bind any person requiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Law or any other law of Illinois is void.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

**LIFE SAVER FRANCHISING, INC.**

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

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

**MARYLAND ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF MARYLAND**

Special Risk(s) to Consider About This Franchise:

**Multi-Market Accounts**. Multi-market accounts exist in this franchise system and may be located within your Territory. You may, but are not obligated to, market and sell your franchised products and services to Multi-Market Accounts on the terms, conditions and pricing set by the Franchisor. If you elect not to do so, any other franchisee or affiliate of the Franchisor will service the account.

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Maryland.

The following is added to Item 5 of the disclosure document:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17 is amended by adding the following language after the table:

Any General Release required as a condition of renewal, sale and/or assignment or transfer does not apply to any liability under the Maryland Registration and Disclosure Law.

You may sue 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 provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)

The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation state 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.

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the area development addendum opens.

3. **No Release, Estoppel or Waiver of State Law.** 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.

4. **Jurisdiction.** Any litigation arising on claims under Maryland Law may be brought by the Franchisee in Maryland.

5. **Limitation on Claims.** Nothing in this Agreement will reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under Maryland Law. All claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.

6. **General Release.** Any General Release required as a condition of renewal, sale and/or assignment or transfer does not apply to any liability under the Maryland Registration and Disclosure Law.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

**LIFE SAVER FRANCHISING, INC.**

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

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

**MINNESOTA ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF MINNESOTA**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Minnesota.

The following is added to Items 5 and 7 to the disclosure document:

The State of Minnesota has imposed a deferral condition on us. Therefore, no fees are payable by you to us until all of our pre-opening obligations are completed and your Life Saver Pool Fence® has opened for business.

Item 17, summary column for (f) is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Item 17, summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act. Minnesota Rules 2860.4400(D) [revisor.leg.state.mn.us] prohibits a franchisor from requiring a franchisee to assent to a general release.

Item 17, summary columns for (v) and (w) are amended to add the following:

Minnesota Statute 80C.21 [revisor.leg.state.mn.us] and Minnesota Rule 2860.4400(J) [revisor.leg.state.mn.us] prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C [revisor.leg.state.mn.us] or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. e. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G) [revisor.mn.gov]. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5. [revisor.leg.state.mn.us].

NSF checks are governed by Minnesota Statute 60-5.113, which puts a cap of \$30 on service charges.

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

This Rider is entered into this \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The State of Minnesota has imposed a deferral condition on us. Therefore, no fees are payable by you to us until all of our pre-opening obligations are completed and your Salon has opened for business.

3. **Insufficient Funds.** Insufficient Funds checks are governed by Minnesota Statute 60-5.113, which puts a cap of \$30 on service charges

3. **Transfer.** Section 16 of the Agreement is amended to add the following:

Our consent to the transfer of the franchise will not be unreasonably withheld. Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act. Minnesota Rules 2860.4400(D) [revisor.leg.state.mn.us] prohibits a franchisor from requiring a franchisee to assent to a general release.

4. **Expiration of this Agreement.** Section 17 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80c.14, subs. 3, 4, and 5, which require, except in certain specified cases, that you be given 180 days’ notice of non-renewal of the Franchise Agreement.

5. **Termination.** Section 19 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80c.14, subs. 3, 4, and 5, which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure). Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act. Minnesota Rules 2860.4400(D) [revisor.leg.state.mn.us] prohibits a franchisor from requiring a franchisee to assent to a general release.

5. **Jurisdiction.** The following is added to Section 24.7:

Minn. Stat. Sec. 80C.21 and Minn. Rules 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota

Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

6. **Waiver of Punitive Damages and Jury Trial.** Sections 24.4 and 24.8 are deleted in its entirety.

7. **Limitation of Claims.** Section 24.5 is amended to add the following:

No action may be commenced for claims coming under Minnesota Law more than 3 years after the cause of action accrues.

9. **Injunctive Relief.** The Franchisee does not consent to the Franchisor obtaining injunctive relief for any matters coming under Minnesota Law; but the Franchisor may seek such injunctive relief.

10. **General Release.** Pursuant to Minn. Rule 2860.4400D the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Minnesota Franchise Act.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

**LIFE SAVER FRANCHISING, INC.**

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

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

**NEW YORK ADDENDA**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF NEW YORK**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in New York.

The following information is added to the cover page of the disclosure document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A 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, INVESTOR PROTECTION BUREAU, 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.

The following is added at the end of Item 3 of the disclosure document:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934,

suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

The following is added to the end of Item 4 of the disclosure document:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

The following is added to the end of Item 5 of the disclosure document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, 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 end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**NORTH DAKOTA ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF NORTH DAKOTA**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in North Dakota.

The following is added to Item 5 of the disclosure document:

All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.

The Summary column of Item 17 paragraph (c) of the disclosure document is modified to read as follows:

Give us at least 90 days notice of your intention to renew, sign our current form of franchise agreement and ancillary agreements, and sign a release (except for matters coming under the North Dakota Franchise Investment Law (the ND Law”).

The Summary column of Item 17 paragraph (r) of the disclosure document is modified by adding the following at the end of the sentence:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

The Summary column of Item 17 paragraph (u) of the disclosure document is amended by adding the following at the end of the paragraph:

Except that matters coming under the ND Law will be submitted to arbitration in a mutually agreeable location.

The Summary column of Item 17 paragraph (v) of the disclosure document is amended to read as follows:

Except for matters coming under the ND Law, litigation must be in Palm Beach County, Florida.

The Summary column of Item 17 paragraph (w) of the disclosure document is amended to read as follows:

Except for matters coming under the ND Law, the law of Florida (subject to state law).\*

The Franchisee is not required to waive jury trial for any matters coming under ND Law.

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The State of North Dakota has imposed a deferral condition on us. Therefore, no fees are payable by you to us until all of our pre-opening obligations are completed and your Salon has opened for business.

3. **Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “**ND Law**”).

4. **Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.

5. **Jurisdiction.** All matters coming under the ND Law may be brought in the courts of North Dakota.

6. **Waiver of Punitive Damages and Jury Trial.** Paragraphs 24.4 and 24.7 of the Franchise Agreement are deleted in their entirety.

7. **Limitation of Claims.** The statute of limitations under ND Law applies to all matters coming under ND Law.

8. **Governing Law.** This Agreement will be governed by North Dakota law.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

**LIFE SAVER FRANCHISING, INC.**

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

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

**RHODE ISLAND ADDENDA**

**ADDENDUM**  
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**  
**LIFE SAVER FRANCHISING, INC.**  
**STATE OF RHODE ISLAND**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Rhode Island.

The following sentence is added to Item 17 (v) and (w): A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

**VIRGINIA ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF VIRGINIA**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Virginia.

Item 5 of the disclosure document is amended by adding the following language:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

Item 17(h) of the disclosure document is amended to add the following language:

Under 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.

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN VIRGINIA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ “**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The following is added to Section 3.1 of the Agreement: The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees until we have completed our pre-opening obligations under the Franchise Agreement.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“**YOU**”

“**WE**”

**LIFE SAVER FRANCHISING, INC.**

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

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

**WASHINGTON ADDENDA & RIDER**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
LIFE SAVER FRANCHISING, INC.  
STATE OF WASHINGTON**

The following is added to the disclosure document:

The Franchise Compliance Certificate is not applicable in Washington.

The following is added to Item 5 of the disclosure document:

We will defer collection of all initial franchise fees due us until all of our pre-opening obligations to you are completed and your Life Saver Pool Fence® business is open. This collection deferral includes all initial franchise fees described in Item of the Franchise Disclosure Document.

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.

Use of Franchise Brokers. The franchisor 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.

**RIDER TO  
LIFE SAVER FRANCHISING, INC.  
FRANCHISE AGREEMENT  
FOR USE IN WASHINGTON**

This Rider is entered into this \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”), between **LIFE SAVER FRANCHISING, INC.** (“**we**,” “**us**” or “**our**”), whose principal place of business is located at 1085 SW 15th Avenue, Unit E3, Delray Beach, Florida 33444, and \_\_\_\_\_ (“**you**” or “**your**”), whose address is \_\_\_\_\_ (collectively, you and we are referred to as the “**parties**” and individually sometimes referred to as a “**party**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is incorporated into the Agreement and supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Initial Fees.** The following is added to Section 3.1 of the Agreement: The Washington Department of Financial Institutions, Securities Division, requires us to defer collection of the initial franchise fee owed by franchisees until we have fulfilled our initial pre-opening obligations to you under the Franchise Agreement and your franchise is open for business. This collection deferral includes all initial franchise fees described in Item of the Franchise Disclosure Document.

3. **Acknowledgments.** Section 1.2 of the Agreement does not apply in Washington.

4. **Indemnification by You:** You will not be required to indemnify us for claims arising out of our own gross negligence, willful misconduct, fraud or strict liability.

3. **Washington Franchise Investment Protection Act:** 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.

4. **Use of Franchise Brokers.** The franchisor 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.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

“YOU”

“WE”

**LIFE SAVER FRANCHISING, INC.**

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

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

**EXHIBIT F TO THE DISCLOSURE DOCUMENT**

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**FORM OF GENERAL RELEASE**

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**FORM OF GENERAL RELEASE**

The following is our current general release form that we expect to include in a release that a franchisee, developer, and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

**THIS RELEASE** is given by \_\_\_\_\_ and their predecessors, agents, affiliates, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, the “**Franchisee**”), to **LIFE SAVER FRANCHISING INC.** and all of its predecessors, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (collectively, the “**Franchisor**”).

Effective on the date of this Release, the Franchisee forever releases and discharges the Franchisor from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, which the Franchisee now has or ever had against the Franchisor, including without limitation, anything arising out of that certain Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”), the franchise relationship between the Franchisee and the Franchisor, and any other relationships between the Franchisee and the Franchisor; except the Franchisor’s obligations under the \_\_\_\_\_ Agreement dated effective \_\_\_\_\_. This Release is effective for: (a) any and all claims and obligations, including those of which the Franchisee is not now aware; and (b) all claims the Franchisee has from anything which has happened up to now.

The Franchisee is bound by this Release. The Franchisee freely and voluntarily gives this Release to the Franchisor for good and valuable consideration and the Franchisee acknowledges its receipt and sufficiency.

The Franchisee represents and warrants to the Franchisor that the Franchisee has not assigned or transferred to any other person any claim or right the Franchisee had or now has relating to or against the Franchisor.

In this Release, each pronoun includes the singular and plural as the context may require.

This Release is governed by Florida law and does not apply to claims arising under the Washington Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

This Release is effective \_\_\_\_\_, notwithstanding the actual date of signatures.

**IN WITNESS WHEREOF**, the undersigned execute this Release:

\_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**PRINCIPAL OWNER'S STATEMENT**

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**PRINCIPAL OWNER'S STATEMENT**

This form must be completed by the Franchisee (“I,” “me,” or “my”) if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise Agreement to me.

1. **Form of Company.** I am a (check one):

- (a) General Partnership
  - (b) Corporation
  - (c) Limited Partnership
  - (d) Limited Liability Company
  - (e) Other
- Specify: \_\_\_\_\_

I was formed under the laws of \_\_\_\_\_ (state).

2. **Business Entity.** I was incorporated or formed on \_\_\_\_\_, \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. I have not conducted business under any name other than my corporate, limited liability company or partnership name and \_\_\_\_\_. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<b><u>Name of Person</u></b>	<b><u>Position(s) Held</u></b>
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners.** The following list includes the full name and mailing address of each person who is one my owners and fully describes the nature of each owner’s interest. Attach additional sheets if necessary.

<b>Owner’s Name and Address</b>	<b>Description of Interest</b>	<b>% of Ownership</b>

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Principal Owner's Statement is current and complete as of \_\_\_\_\_.

**OWNER**

**INDIVIDUALS:**

Sign: \_\_\_\_\_

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

Sign: \_\_\_\_\_

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

Sign: \_\_\_\_\_

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

**CORPORATION, LIMITED  
LIABILITY COMPANY OR  
PARTNERSHIP:**

\_\_\_\_\_  
[Name]

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

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

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

**EXHIBIT H TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
PRINCIPAL OWNER'S GUARANTY**

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**PRINCIPAL OWNER'S GUARANTY**

This Guaranty must be signed by the principal owners (referred to as “you” for purposes of this Guaranty only) of \_\_\_\_\_ (the “**Business Entity**”) under the Franchise Agreement dated \_\_\_\_\_, 201\_\_ (the “**Agreement**”) with **LIFE SAVER FRANCHISING INC.** (“us,” or “our” or “we”).

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants’, attorneys’, attorney’s assistants’, arbitrators’ and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Florida law and we may enforce our rights regarding it in the courts of Hillsborough County, Florida. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now sign and deliver this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**GUARANTORS**

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

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

**EXHIBIT I TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
CONDITIONAL ASSIGNMENT OF  
TELEPHONE NUMBERS AND LISTINGS  
AND INTERNET ADDRESSES**

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**CONDITIONAL ASSIGNMENT OF  
TELEPHONE NUMBERS AND LISTINGS AND INTERNET ADDRESSES**

**THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS AND INTERNET ADDRESSES** (this “**Assignment**”) is effective as of \_\_\_\_\_, 20\_\_\_, between **LIFE SAVER FRANCHISING INC.**, a Florida corporation, with its principal place of business at 1085 SW 15th Avenue, #E3, Delray Beach, Florida 33444 (“**we**,” “**us**” or “**our**”) and \_\_\_\_\_, whose current place of business is \_\_\_\_\_ (“**you**” or “**your**”). You and we are sometimes referred to collectively as the “**parties**” or individually as a “**party**.”

**BACKGROUND INFORMATION:**

We have simultaneously entered into the certain Franchise Agreement (the “**Franchise Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_ with you, pursuant to which you plan to own and operate a LSPF Business (the “**Business**” or “**Businesses**”). The Businesses use certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the “**System**”). We identify LSPF Businesses and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the “**Marks**”). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings and internet addresses of the Business if the Franchise Agreement is terminated.

**OPERATIVE TERMS:**

You and we agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.
2. **Conditional Assignment:** FOR VALUE RECEIVED, Franchisee assigns to Franchisor: (a) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Telephone Numbers and Listings**”); and (b) 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 LSPF Business at the address provided above. This Assignment is for collateral purposes only and, except as specified in this Assignment, Franchisor has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor notifies 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 its terms.

Upon termination or expiration of the Franchise Agreement (without extension) for any reason, Franchisor has the right and is 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 the 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.

3. **Power of Attorney:** 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 the 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 the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the 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 the 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.

4. **Indemnification:** You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company and/or ISP.

5. **Binding Effect:** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control:** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company and/or ISP.

7. **Attorney's Fees, Etc.:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum:** This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Hillsborough County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

**ASSIGNOR:**

\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**ASSIGNEE:**

**LIFE SAVER FRANCHISING INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT J TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
CONFIDENTIALITY, NONSOLICITATION  
AND NONCOMPETITION AGREEMENT**

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## CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT

THIS CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT (this "Agreement") is effective as of \_\_\_\_\_, 20\_\_\_\_, between (the "Franchisee," "we," "us" or "our") and \_\_\_\_\_ ("you" or "your").

### BACKGROUND INFORMATION:

We have entered into a Franchise Agreement ( the "Franchise Agreement") with LIFE SAVER FRANCHISING INC. (the "Franchisor") to operate a LSPF Business franchise (the "Business" or "Businesses"). The Business is operated pursuant to formats, specifications, standards, methods and procedures prescribed or approved by the Franchisor (the "System"). We and the Franchisor possess certain confidential information, consisting of specifications, plans and other characteristics of products and services provided, the Computer System, Intranet database and information, and business operating techniques, criteria and methods for the sale and installation of wood (privacy or rail), chain link, iron, aluminum and vinyl fencing solutions, including gates and electric gate mechanisms and other products and services for primarily residential, but some commercial and agricultural customers as well, and such other services that we specifically authorize from time to time (the "Products and Services"), the selection, testing and training of personnel and other employees, and the formats, specifications, standards, methods, procedures, information, and knowledge of and experience in the operating and franchising of LSPF Businesses, which we either own or license (the "Confidential Information").

You understand that the System and Confidential Information are the Franchisor's proprietary trade secrets and confidential. You acknowledge that we and the Franchisor have and will provide you with specialized and extensive training regarding operation of the Business and have invested considerable time, funds and resources to do so. We have an obligation under the Franchise Agreement to maintain such Confidential Information as secret and confidential. You represent to us and the Franchisor that you have other skills that you can utilize if, for any reason, your relationship with us ends.

### OPERATIVE TERMS:

Accordingly, you and we agree as follows:

1. **Confidentiality.** You will: (i) not use the Confidential Information in any other business or capacity; (ii) maintain the absolute confidentiality of the Confidential Information during and after the term of your ownership in, or employment by us; (iii) not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (iv) comply with all procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information.

2. **In-Term Competitive Restrictions.** During the time that you are one of our owners or employees, unless we otherwise permit in writing or except in accordance with another franchise agreement with us, you agree that you will not, directly or indirectly (e.g., through a spouse, child or other immediate family member):

(a) have any direct or indirect interest as a disclosed or beneficial owner, or in any other capacity in any business or facility owning, operating or managing, or granting franchises or licenses to others to perform, market, sell or provide services the same or similar to Products and Services (a "Competitive Business"), (i) anywhere; (ii) within the Territory; (iii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iv) via the Internet or other form of e-commerce, wherever located; or (v) within 25 miles of any geographic area that we have awarded to any other LSPF Business.;

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located;

(c) recruit or hire any employee of ours, of the Franchisor, of our or its affiliates, or of any of the Franchisor's franchisees, without obtaining the prior written permission of that person's employer; or

(d) divert or attempt to divert any business or customer of the Business to any Competitive Business.

Nothing in this Section prohibits you from having a direct or indirect interest as a disclosed or beneficial owner in a publicly held Competitive Business, as long as such securities represent less than 5% of the number of shares of that class of securities which are issued and outstanding.

3. **Post-Term Competitive Restrictions.** For a period of 2 years following the date that you cease to be one of our owners or an employee, you agree that you will not, directly or indirectly (e.g., through a spouse, child or other immediate family member):

(a) have any direct or indirect interest as a disclosed or beneficial owner, or in any other capacity in a Competitive Business located or operating: (i) within the Territory; (ii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 25 miles of any geographic area that we have awarded to any other LSPF Business.;

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business located or operating: (i) within the Territory; (ii) within any geographic territory that we have assigned to any one of our other LSPF Businesses, employees, or Franchisees, or in which we directly operate, market or sell; (iii) via the Internet or other form of e-commerce, wherever located; or (iv) within 25 miles of any geographic area that we have awarded to any other LSPF Business;

(c) recruit or hire any employee of ours, of the Franchisor, of our or its affiliates, or of any of the Franchisor's franchisees, without obtaining the prior written permission of that person's employer; or

(d) divert or attempt to divert any business or customer of the Business to any Competitive Business.

If you refuse to voluntarily comply with the foregoing obligations, the 2-year period will be extended by the period of noncompliance. Nothing in this Section prohibits you from having a direct or indirect interest as a disclosed or beneficial owner in a publicly held Competitive Business, as long as such securities represent less than 5% of the number of shares of that class of securities which are issued and outstanding.

4. **Severability and Substitution.** To the extent that any portion of this Agreement is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, length of time or remedy, but may be made enforceable by reduction, adjustment or modification of any or all thereof, you and we agree that this Agreement will be enforced to the fullest extent permissible under the laws or public policies of the jurisdiction in which enforcement is sought, and such reduced or modified provision will be enforced to the fullest extent.

5. **Acquisition.** You agree that the confidentiality, competitive, and employment undertakings and restrictions survive any change in our ownership, any merger or consolidation, any sale of our assets, and any assignment or transfer of this Agreement.

6. **Extension of Time Period.** The time period during which you are to refrain from any of the activities listed in this Agreement will be automatically extended by any length of time during which you or any of your affiliates, successors or assigns are in breach of any provision of this Agreement. This Agreement will continue through the duration of the extended time periods.

7. **Suspension of Compensation.** We will not be required to pay any other compensation to you during any period of time in which you are in breach of this Agreement. Upon such breach, you forfeit payment of such amounts without limitation on any other remedies available to us for redress.

8. **No Defense or Setoff.** You must not assert, by way of defense or setoff, any alleged breach or damage caused by you if we must enforce this Agreement against you.

9. **Injunctive Relief.** You and we agree that the breach of this Agreement will result in irreparable harm to us and the Franchisor, and that no monetary award can fully compensate us if you violate it. Thus, if you breach this Agreement, you agree that we will be entitled to an injunction restraining you from any further breach. Such injunctive relief may be obtained without bond, but upon due notice, in addition to such other and further remedies or relief as may be available to us at equity or law.

10. **Miscellaneous.**

(a) **Complete Agreement:** This Agreement contains the complete agreement between the parties concerning this subject matter. This Agreement supersedes any prior or contemporaneous agreement, representation or understanding, oral or written, between them. The continued relationship between the parties described in this Agreement constitutes full and sufficient consideration for the binding commitment of the parties to this Agreement.

(b) **Waiver and Amendment:** A waiver or amendment of this Agreement, or any provision of it, will be valid and effective only if it is in writing and signed by all parties or the party waiving such provision. No waiver of any term of this Agreement will operate as a waiver of any other term of this Agreement or of that same term at any other time.

(c) **Rights Cumulative:** No right or remedy available to any party is exclusive of any other remedy. Each and every remedy will be cumulative to any other remedy given under this Agreement, or otherwise legally existing upon the occurrence of a breach of this Agreement.

(d) **Certain Definitions:** As used throughout this Agreement, the following terms have the following meanings:

- (i) The term “**person**” means any corporation, professional corporation or association, partnership (limited or general), joint venture, trust, association or other business entity or enterprise or any natural person;
- (ii) The term “**affiliate**” means, with respect to any person, any other person that directly, indirectly, or through one or more intermediaries, controls, is controlled by or is under common control with, such person, and includes any subsidiaries or other business entities that are beneficially owned by such person or its affiliates;
- (iii) The term “**attorney’s fees**” means any and all charges levied by an attorney for his services, including time charges, expenses and other reasonable fees including paralegal fees and legal assistant fees, and includes fees earned in settlement, at trial, on appeal or in bankruptcy proceedings.

(e) **Governing Law:** This Agreement is governed by the laws of the State of Florida. The prevailing party in any litigation involving this Agreement must be reimbursed its attorney’s fees from the non-prevailing party.

(f) **Third-Party Beneficiary:** The parties understand and acknowledge that the Franchisor is a third-party beneficiary of the terms of this Agreement and, at its option, may enforce the provisions of this Agreement with you. Your obligations under this Agreement will continue for the benefit of our and the Franchisor’s successors and assigns.

(g) **Background Information:** The background information is true and correct and is incorporated into this Agreement. This Agreement will be interpreted with reference to the background information.

Intending to be bound, the parties sign below:

**“US”:**

**“YOU”:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

Title \_\_\_\_\_

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT K TO THE DISCLOSURE DOCUMENT**

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**LIST OF FRANCHISEES**

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**LIST OF FRANCHISEES AS OF DECEMBER 31, 2024**

<b>Name Of Franchisee</b>	<b>Unit Street Address</b>	<b>Unit City</b>	<b>Unit State</b>	<b>Unit Zip Code</b>	<b>Unit Telephone Number</b>	<b>Open</b>
PBBA551, Inc.	2861 Hwy 270 West	Sheridan	Arizona	72150	870-883-0983	Yes
Aquamarine Pool Service, Inc.	2862 Aquamarine Circle	Rescue	California	95672	530-556-4445	Yes
PFM Florida, LLC.	2002 70th street Court East	Bradenton	Florida	34208	941-297-0040	Yes
Safety Services, LLC	3220 Treetop Drive	Titusville	Florida	32780	386-317-1319	No (open in 2025)
Mockingbird Pool Fence, LLC.	192 Whirlaway Ct. St	St. Johns	Florida	32259	904-640-9888	Yes
SNL Pool Fence, LLC.	308 E. Emma Street	Tampa	Florida	33603	813-433-0077	Yes
J&C Elbe Enterprises, LLC.	201 Noble Creek Rd.	Woodruff	South Carolina	29388	864-813-8333	Yes
Pool Fence Plus Tennessee, LLC.	306 Brady Point Rd.	Signal Mountain	Tennessee	37377	423-860-0000	Yes
Texas Pool Safety, LLC.	11 Bar Angle Trail	Boerne	Texas	78006	979-373-1881	Yes
Gabtocs, Inc.	39839 Avenida Palizada	Murrieta	California	92563	951-462-2206	No (open in 2025)
South Florida Pool Fence, LLC.	401 Harbour Road	North Palm Beach	California	33408	561-719-1279	Yes

**EXHIBIT L TO THE DISCLOSURE DOCUMENT**

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**LIST OF FORMER FRANCHISEES**

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**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM  
DURING 2024 AND UP TO THE ISSUANCE DATE OF THIS FDD**

<b>NAME OF FRANCHISEE</b>	<b>LAST KNOWN CITY</b>	<b>LAST KNOWN STATE</b>	<b>TELEPHONE NUMBER</b>
Greg Long (Long Pool Fence, LLC)	Americus	Georgia	229-942-9376
McCoy Fencing, LLC	Ormond Beach	Florida	386-317-1319

**EXHIBIT M TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
FRANCHISE COMPLIANCE CERTIFICATE**

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The Franchise Compliance Certificate is not applicable in the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

## FRANCHISE COMPLIANCE CERTIFICATE

As you know **LIFE SAVER FRANCHISING INC.** (“we” or “us” or “our”), and you are preparing to enter into a Franchise Agreement for the operation of a **LSPF BUSINESS** franchise. The purpose of this Questionnaire 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, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes\_\_ No\_\_ 1. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
- Yes\_\_ No\_\_ 2. Did you receive the Franchise Agreement and each ancillary agreement, containing all material terms, at least 7 calendar days before signing any binding agreement with us or an affiliate? (This does not include any mutually agreed upon changes to any agreement.)
- Yes\_\_ No\_\_ 3. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes\_\_ No\_\_ 4. Did you receive the Franchise Disclosure Document at least 14 calendar days before signing the Franchise Agreement, this Questionnaire, or any related agreement, or before paying any funds to us or an affiliate related to the franchise sale?
- Yes\_\_ No\_\_ 5. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
- Yes\_\_ No\_\_ 6. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
- Yes\_\_ No\_\_ 7. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes\_\_ No\_\_ 8. Have you discussed the benefits and risks of developing and operating a LSPF Business franchise with an existing LSPF Business franchisee?
- Yes\_\_ No\_\_ 9. Do you understand the risks of developing and operating a LSPF Business franchise?
- Yes\_\_ No\_\_ 10. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
- Yes\_\_ No\_\_ 11. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated in Florida, if not resolved informally?

- Yes\_\_ No\_\_ 12. Do you understand that you must satisfactorily complete the initial training course before we will allow your franchised Business to open or consent to a transfer?
- Yes\_\_ No\_\_ 13. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a LSPF Business franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes\_\_ No\_\_ 14. Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes\_\_ No\_\_ 15. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a LSPF Business franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes\_\_ No\_\_ 16. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the LSPF Business, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

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.

\_\_\_\_\_  
Franchise Applicant

\_\_\_\_\_  
Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Dated \_\_\_\_\_

Dated \_\_\_\_\_

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:

**EXHIBIT N TO THE DISCLOSURE DOCUMENT**

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**STATE EFFECTIVE DATES**

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### **State Effective Dates**

The following states have franchise laws that require 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:

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	February 16, 2025
Minnesota	Pending
New York	Pending
North Dakota	None
Rhode Island	None
South Dakota	None
Virginia	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 O TO THE DISCLOSURE DOCUMENT**

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**RECEIPTS**

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**RECEIPT**

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 **LIFE SAVER FRANCHISING INC.** offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first.

If **LIFE SAVER FRANCHISING INC.** does not deliver this disclosure document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit “D” to this disclosure document.

The franchisor is Life Saver Franchising Inc., located at 1085 SW 15th Avenue, #E3, Delray Beach, Florida 33444. Its telephone number is (561) 272-8242.

We authorize the respective state agencies identified on Exhibit “D” to receive service of process for us if we are registered in the particular state.

Issuance Date: April 21, 2025

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
<input type="checkbox"/> Eric Lupton <input type="checkbox"/> Javier Padilla <input type="checkbox"/> Michael McGahee <input type="checkbox"/> Kate Mottram	1085 SW 15 <sup>th</sup> Avenue, #E3, Delray Beach, Florida 33444	561.171.8242

I have received the LIFE SAVER POOL FENCE® Franchise Disclosure Document dated April 21, 2025 that included the following Exhibits:

- Exhibit “A” Franchise Agreement
- Exhibit “A-1” Conversion Addendum
- Exhibit “B” Financial Statements
- Exhibit “C” Table of Contents of Manuals
- Exhibit “D” List of State Agencies/Agents for Service of Process
- Exhibit “E” State Specific Addenda and Riders
- Exhibit “F” General Release
- Exhibit “G” Principal Owner’s Statement
- Exhibit “H” Principal Owner’s Guaranty
- Exhibit “I” Conditional Assignment of Telephone Numbers and Listings and Internet Addresses
- Exhibit “J” Confidentiality, Nonsolicitation and Noncompetition Agreement
- Exhibit “K” List of Franchisees
- Exhibit “L” List of Franchisees Who Have Left the System
- Exhibit “M” Franchise Compliance Certificate
- Exhibit “N” State Effective Dates
- Exhibit “O” Receipts

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature) Prospective Franchise Owner

**(Your Copy)**



**RECEIPT**

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 LIFE SAVER FRANCHISING INC. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first.

If LIFE SAVER FRANCHISING INC. does not deliver this disclosure document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit "D" to this disclosure document.

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- Exhibit "N" State Effective Dates
- Exhibit "O" Receipts

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

Date \_\_\_\_\_

\_\_\_\_\_
(Signature) Prospective Franchise Owner

(Our Copy – Return this Copy to Us):

LIFE SAVER FRANCHISING INC.
1085 SW 15th Avenue, #E3
Delray Beach, Florida 33444
Attn: \_\_\_\_\_