

FRANCHISE DISCLOSURE DOCUMENT



Red Barn Homebuyers, LLC
A Georgia limited liability company
105 Towne Lake Parkway
Woodstock, Georgia 30188
Phone: (678) 707-8114

Email: Kevin@redbarnhomebuyers.com
Website: www.redbarnhomebuyers.com

Red Barn Homebuyers, LLC offers franchises for the operation of a real estate investment business consisting of (a) purchasing, renovating and selling real properties (traditional “house flipping”) and/or (b) wholesaling real properties.

The total investment necessary to begin operation of a Red Barn franchise ranges from \$59,405 to \$407,900. This includes \$38,200 to \$40,600 that must be paid to us.

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 the franchisor at 105 Towne Lake Parkway, Woodstock, Georgia 30188 or by phone at (678) 707-8114.

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 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: June 20, 2024 ([amended September 11, 2024](#))

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. 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 Georgia than in your own state.
2. **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.
3. **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.
4. **Minimum Mandatory Payments.** You must make minimum lead generation fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
- 5.6. **Spousal Liability.** Your spouse may be asked to 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.
6. **No Trademark License.** ~~Unlike most other franchises, this franchise does not grant you a trademark license to use the franchisor's primary trademarks while engaged in the franchise business, but merely as a certification mark. Instead, each franchisee will, if they choose, be required to develop their own trademarks for use in their own franchise business. The lack of a license to use the franchisor's trademark could cause you to incur additional costs to develop your own trademarks and could reduce your ability to make a profit in the franchise business.~~

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

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ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us” and “the Company” mean Red Barn Homebuyers, LLC - the franchisor. “You” means the person who buys a Red Barn franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

For purposes of this Disclosure Document, a “Red Barn Business” or “RB Business” refers to the real estate investment business offered under this Disclosure Document, including businesses operated by us, our affiliate, you or other franchisees.

Corporate Information

Red Barn Homebuyers, LLC is a Georgia limited liability company that was organized on August 8, 2021. Our principal business address is 105 Towne Lake Parkway, Woodstock, Georgia 30188. Our telephone number is (678) 707-8114. Our agent for service of process is disclosed in EXHIBIT "B" to this Disclosure Document. We do not do business under any names other than “Red Barn Homebuyers, LLC”.

Business History

In 2005, our founder, Ken Corsini, began operating Georgia Residential Partners, LLC, a real estate investment business in Georgia that is similar to an RB Business. We began offering Red Barn franchises in April 2022. We are not engaged in any business other than offering RB Business franchises and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated an RB Business.

Predecessors, Parents and Affiliates

We do not have any predecessors or parent companies. We do not have any affiliates that offer franchises in this or any other line of business.

Our affiliate, Red Barn Realty Group LLC (“RB Realty”) is Georgia limited liability company that was organized on July 6, 2021. RB Realty shares our principal business address. RB Realty is a licensed real estate company involved with the sale of properties listed by you or third-party realtors to whom you refer property owners. RB Realty has never operated an RB Business. ~~Except for RB Realty, we do not have any affiliates that provide goods or services to our franchisees.~~

Our affiliate, Red Capital LLC (“Red Capital”), is a financial services company that offers loan brokering services to franchisees seeking financing for the acquisition and/or renovation of properties. The financing terms are discussed in Item 10 of this Disclosure Document. Red Capital’s principal business address is 12460 Crabapple Rd., Suite 202-377, Alpharetta, Georgia 30004. Red Capital has never operated an RB Business.

Our affiliate, Rock Springs Enterprises Inc. (“RS Enterprises”), offers financing for up to 85% of the Initial Fees (described in Item 5 of this Disclosure Document) you must pay us. The financing terms are discussed in Item 10 of this Disclosure Document. RS Enterprises’ principal business address is 12460 Crabapple Rd., Suite 202-377, Alpharetta, Georgia 30004. RS Enterprises has never operated an RB Business.

Except for RB Realty, Red Capital and RS Enterprises, we do not have any affiliates that provide goods or services to our franchisees.

Description of Franchised Business

The Red Barn Business offered under this Disclosure Document is a home-based real estate investment business that involves House Flipping Transactions, Wholesaling Transactions and/or Listing Transactions. We utilize our proprietary marketing and lead generation program (the “RB Lead Generation Program”) to identify distressed “off the market” properties that may be suitable for House Flipping Transactions or Wholesaling Transactions and refer these opportunities to you. The three categories of real estate investment activities are described below:

Kendra D'Eon – General Manager

Kendra D'Eon has served as our General Manager since January 2022. During the past 5 years, she has also held the following positions:

Employer	Title	Location	Period of Time
Support U, LLC	Owner	Nottingham, NH	Sep 2021 to present
Beaupre Law	Client Service Coordinator	Dover, NH	Aug 2020 to Sep 2021
Victory Sports Medicine	Manager/Orthopedic Tech	Merrimack, NH	Jun 2010 to Sep 2020

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Training, Coaching and Onboarding Fees

We charge you various preopening fees (collectively, the “Initial Fees”) in exchange for training, coaching and other onboarding services we provide (~~collectively, the “Initial Fees”~~). ~~These services are also discussed in Item 11.~~ Initial Fees are uniformly imposed and nonrefundable. ~~You pay the full amount~~ As discussed in Item 10, RS Enterprises offers an optional financing program that allows you to finance up to 85% of the Initial Fees. Any unfinanced portion of the Initial Fees ~~at the time is due when~~ you sign the Franchise Agreement. The table below includes a breakdown of the various Initial Fees and the associated services:

Service Provided	Initial Fee* (Veteran Discount)
Covers our 30-day Real Estate Investing Operational Training Program that we provide prior to opening. This intensive training program educates you on all essential aspects of the business model and equips you to conduct your own real estate investing business utilizing our System.	\$8,000 (\$7,200)
Covers our 90-day Real Estate Investing Sales Training Program that we provide after you sign the Franchise Agreement. This intensive training program educates you on all aspects specific to sales in the context of acquiring off-market properties from motivated seller leads.	\$6,000 (\$5,400)
Covers a series of pre-opening Marketing Strategy Development meetings and a 90-day Novation’s Training Program we conduct for purposes of developing and implementing a specific real estate lead acquisition strategy based on market research specific to your assigned territory and your unique goals.	\$7,500 (\$6,750)
Covers a series of pre-opening onboarding related sessions we conduct specific to business setup, vendor education and platform orientation to fully prepare you for launch.	\$2,500 (\$2,250)
Covers the pre-opening RB Central setup services and support we provide, including support with: development of email and text campaigns; creation of an assigned microsite; assignment of a unique phone number into the CRM system; and integration of your contact information into the CRM system.	\$2,500 (\$2,250)
Covers coordination of orientation meetings with vendor discount partners and facilitation of training on various partner platforms that takes place during the initial 30 days after signing of Franchise Agreement.	\$500 (\$450)
Covers periodic one-on-one coaching sessions we provide to you during the initial 30 days after signing of Franchise Agreement for purposes of: discussing your goals; implementing your strategies; assisting you with deal analysis; assisting you with utilizing RB Central and other franchise resources; answering your questions; and fully equipping you to operate your RB Business.	\$7,500 (\$6,750)

TYPE OF FEE ¹	AMOUNT ^{2,3}	DUE DATE	REMARKS
Listing Royalty Fee ⁴	10% of total listing-side real estate commission generated from the transaction (See Note 7)	Upon closing of sale	You pay a Listing Royalty Fee to RB Realty if you are a licensed real estate agent and you refer a property to another licensed real estate agent who sells the property. See Note 7.
Minimum Annual Royalty Fee	\$6,000 per calendar year (prorated to \$500 per month for 1 st and last year of operation)	10 days after invoice	If the total amount of Acquisition Royalty Fees, Wholesaling Royalty Fees and Listing Royalty Fees paid to us in a calendar year is less than the minimum annual royalty fee, we can terminate your territorial protections unless you pay us the shortfall.
Lead Generation Fee	\$3,000 per month first 3 months & \$1,000 per month after 3 rd month (service is optional after 3 rd month)	1 st day of month	See Note 8.
Brand Fund Fee	10% of Acquisition Royalty Fee (not currently imposed)	Same as Acquisition Royalty Fee	You contribute this amount to the Brand Fund (once formed). You have no voting rights pertaining to the administration of the Brand Fund, creation or placement of advertising or amount of the brand fund fee.
Training Fee	Up to \$500 per person per day (plus Travel Expenses for onsite training)	10 days after invoice	Payable for each person who attends (a) refresher or supplemental training; (b) remedial training; or (c) additional training you request. You must also reimburse us for Travel Expenses we incur for any onsite training or assistance that we provide.
Coaching & Support Fee (Optional)	\$100 per hour (plus Travel Expenses for onsite support)	10 days after invoice	See Note 9.
Conference Registration Fee	\$500 per person per conference	10 days after invoice	We may host conferences to discuss matters affecting franchisees. You pay the fee if you choose to attend. Attendance is optional.
Technology Fee	Currently \$200 per month for: (a) a license to use Red Barn Central (RBC) software and RB Communicator training app; (b) a license to use BatchLeads software; and (c) the costs to develop, host and maintain your microsite	10 days after invoice or as otherwise specified by us	Fee includes all amounts you pay us and our affiliates relating to Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers. It may also include a reasonable administrative fee for managing the technology platform and negotiating / managing relationships with third-party licensors. It does not include amounts you pay to third-party suppliers. We may change fee on 30 days' notice for new technology or increased costs we incur.
Renewal Fee	\$1,000	At time you sign Renewal Agreement	Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.
Transfer Fee	50% of then-current standard (non-discounted) initial franchise fee	Before Transfer	We do not charge a -transfer fees for Permitted Transfers or Transfers of less than a 20% interest. You pay the transfer fee for all other Transfers.

acquire. You may, however, request that we provide our guidance and recommendations with respect to the renovation, remodeling, repair or construction of properties you acquire. Our personal coaches have relevant experience and knowledge of the real estate industry, and have been involved in various real estate transactions, including those involving hard money lending, private lending, building rental portfolios, and flipping properties. We have no obligation to provide this support, but may do so at our discretion. We may charge you the coaching and support fee of \$100 per hour for: (a) any personal coaching you request for any transaction other than your first 20 transactions; and (b) any guidance or recommendations we provide relating to the renovation, remodeling, repair or construction of any property you acquire. If we agree to provide any personal coaching, guidance or other support onsite within your territory, you must also reimburse us for all costs we incur, including for travel, meals, lodging and local transportation. At this time, we do not intend to provide any onsite support, but we may do so in the future.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE ¹	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Fees ²	\$34,500	Lump sum	At time you sign Franchise Agreement	Us
Vehicle ³	\$0 to \$15,000	As incurred	Before opening	Suppliers
Technology Systems ⁴	\$70 to \$2,000	Lump sum	Before opening	Suppliers
Technology Fee ⁵ (pre-opening)	\$700 to \$1,100	Lump sum	Before opening	Us
Home Office Supplies ⁶	\$100 to \$300	Lump sum	Before opening	Suppliers
Lead Generation Fees ⁷ (pre-opening)	\$3,000 to \$5,000	Lump sum	Before opening	Us
Permits and Business License	\$35 to \$200	Lump sum	Before opening	Government agencies
Bookkeeping Software & Services ⁸	\$300 to \$1,200	As incurred	Before opening	Suppliers
Professional Fees ⁹	\$500 to \$3,000	Lump sum	Before opening	Lawyer & accountants
Insurance (3 months' premium)	\$200 to \$600	Lump sum	Before opening	Insurance companies
Property Acquisition Reserve ¹⁰	\$5,000 to \$315,000	As incurred	As incurred	Property owners
Additional Funds ¹¹ (3 months)	\$15,000 to \$30,000	As incurred	As incurred	Suppliers, employees and us
Total Estimated Initial Investment ¹²	\$59,405 to \$407,900			

Notes:

- Financing and Refunds: ~~We do not~~ As further discussed in Item 10: (a) RS Enterprises offers financing for up to 85% of the Initial Fees; and (b) Red Capital offers loan brokering services to franchisees seeking financing for the acquisition and renovation of investment properties. Neither we nor any of our affiliates offer direct or indirect financing for any of these items, other fees or purchases. None of the fees payable to us are refundable. We are unaware of any fees payable to third-party suppliers that are refundable.
- Initial Fees: Item 5 includes a breakdown of the Initial Fees and a description of the associated services. The initial investment table assumes you choose not to finance the Initial Fees.
- Vehicle: You must have access to a vehicle for purposes of visiting properties and meeting with buyers,

sellers and contractors. We do not have any standards or specifications for your vehicle. The low estimate assumes you already own a vehicle and the high estimate includes an estimated down payment for the purchase of a new vehicle plus taxes, license and registration fees.

4. Technology Systems: This includes your initial cost to purchase and set up your Technology Systems, which currently consists of 1 computer (laptop or desktop), 1 printer and our required software (currently QuickBooks Online, Red Barn Central, BatchLeads and DEXT). The licensing fees for our required software are listed separately in this table (see Note 5, Note 8 and Note 10). The low estimate assumes you already have a suitable computer system you will use for your Business.
5. Technology Fee: Prior to opening, you must pay us a one-time \$500 implementation fee. You must also pay us a \$200 monthly licensing fee, commencing the 1st day of the 1st month after you sign the Franchise Agreement. These fees cover (a) a license to use Red Barn Central (RBC) software and RB Communicator training app; (b) a license to use BatchLeads software; and (c) a microsite we provide for your Business.
6. Home Office Supplies: The RB Business you will operate is a home-based business. We anticipate substantially all franchisees will operate from a home office. This estimate includes the cost for basic home office supplies, including paper, pens, stapler, etc.
7. Lead Generation Fees: You must pay us a minimum Lead Generation Fee of \$3,000 per month. You have the option to pay a higher Lead Generation Fee. The first installment is due immediately prior to the launch of your lead generation program. Additional installments begin after you open. The Lead Generation Fee becomes optional beginning with your 4th month of operation (you may also choose to change the Lead Generation Fee to any amount equal to or greater than \$1,000 per month). We anticipate most franchisees will pay Lead Generation Fees ranging from \$3,000 to \$5,000 per month. We use this fee to generate leads for “off the market” properties you may wish to purchase.
8. Bookkeeping Software & Services: You must contract with our designated accounting company to provide bookkeeping services. This estimate include the preopening fees paid to this company and also includes the preopening software licensing fees for QuickBooks Online and DEXT.
9. Professional Fees: We assume \$500 to \$1,000 for accounting services and \$0 to \$2,000 for an attorney to review the FDD and provide comments to the franchisee.
10. Property Acquisition Reserve: We estimate you will need \$30,000 to \$105,000 in order to acquire a typical residential property (including down payment and closing costs). The high estimate includes the estimated funds necessary to acquire 3 residential properties at ~~\$105,000~~ \$250,000 each. This estimate is based on the purchase of 3 residential properties at \$250,000 each, with 20% down, and \$5,000 in closing costs for each property, plus an average of \$50,000 for renovations (including materials and labor) you choose to make to a property you purchase. The low estimate assumes you intend to exclusively engage in Wholesaling Transactions during your initial period of operations, in which case you will not need any funds to purchase properties other than the earnest money imposed under the purchase contract.
11. Additional Funds: This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), Lead Generation Fees (\$3,000 to \$5,000 per month), technology fees (\$200 per month), third-party software fees, bookkeeping fees, gas and other miscellaneous expenses and required working capital. The low estimate assumes you will operate the Business yourself and will not hire employees during your initial period of operations. These figures are estimates based on: (a) the experience of our franchisees in developing, opening and operating franchised RB Businesses; and (b) the experience of our principal in operating a business in Georgia similar to an RB Business.
12. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your Business. We may require that you send us a report, in the form we designate, listing the expenses you incur to develop and open your Business. We may use this data to update the initial investment estimate in f

Program beginning with your 4th month of operation. All marketing materials must comply with our standards and requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you utilize a designated supplier to conduct social media marketing on your behalf.

Construction Services

You are not required to obtain our approval of contractors and other professionals you hire to renovate properties. However, we may impose certain standards that must be met by these individuals.

Bookkeeping Services

You must utilize the supplier we designate for bookkeeping services (currently Caldwell Consulting & Training, LLC dba Candella Accounting & Advisory).

Insurance Policies

You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A- or better by Alfred M. Best & Company, Inc., including the following:

REQUIRED INSURANCE POLICIES	
Policy Type	Minimum Coverage
“All risk” Property Insurance	Replacement Value (for all properties you purchase)
Comprehensive General Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate
Errors and Omissions Insurance	\$1,000,000 per occurrence and in the aggregate
Automobile Liability Insurance	\$1,000,000 per occurrence and in the aggregate
Commercial Umbrella Insurance	\$1,000,000 per occurrence and in the aggregate
Worker’s Compensation Insurance	As required by law

The required coverage and policies are subject to change. All insurance policies must be endorsed to: (a) name us (and our members, officers, directors, and employees) as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive 30 days’ prior written notice of the termination, expiration, cancellation or modification of the policy.

Listing Services

If you sell a property we refer to you in a Listing Transaction our affiliate, RB Realty, will receive compensation in the form of either: (a) the Listing Royalty Fee (if you are a licensed real estate agent and you refer the property to another licensed real estate agent for listing); or (b) 10% of the total listing-side commission generated from the sale (if you are not a licensed real estate agent and RB Realty refers the property to another licensed real estate agent for listing).

Financing Services

You have the option, but not the obligation, to contract with our affiliate: (a) RS Enterprises if you wish to finance the Initial Fees; and/or (b) Red Capital if you need assistance obtaining financing for the acquisition and renovation of investment properties. Additional information about the financing terms is disclosed in Item 10 of this Disclosure Document. You are not required to contract with either of these companies. You may, at your option, use any other financial services company of your choosing.

Purchase Agreements

We may try to negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of our franchisees. If we succeed, you may purchase these goods or services at the discounted prices we

negotiate (less any rebates or other consideration paid to us). As of the date of this Disclosure Document, we have negotiated purchase agreements (including pricing terms) with Sherwin Williams, Lowe's Pro Supply and ProSource (from whom you may purchase tools, building supplies, paint, remodeling and construction services, and related goods and services).

Although it is not our current practice to do so, we may purchase items in bulk and resell them to you at our cost plus a reasonable markup (your total cost to purchase the items from us will not exceed your total cost to purchase the items directly from the supplier without the benefit of our group purchasing power). Examples of items that we may resell include windows, doors, light fixtures, plumbing fixtures, or staging furniture.

Currently there are no purchasing cooperatives, but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenues from Source-Restricted Purchases

We are currently the exclusive supplier (i.e., the only supplier) for: (a) our proprietary Red Barn Central (RBC) software, RB Communicator training app and other items we provide in exchange for the technology fee (although some of these items are sublicensed by us); (b) the marketing services provided in exchange for the Lead Generation Fee (you are required to use these services and pay us Lead Generation Fees until your 4th month of operation, at which point the service and associated Lead Generation Fee becomes optional); and (c) the training and other onboarding services provided in exchange for the Initial Fees. ~~We~~

[Our affiliates RS Enterprises and Red Capital offer optional financing services to franchisees.](#)

[We and our affiliates](#) may generate a profit from these purchases ~~and services~~. We may designate ourselves, ~~or our affiliates~~, as ~~an~~ approved or designated suppliers for other ~~items~~ [goods and services](#) in the future. No person affiliated with us is currently an approved (or the only approved) supplier. ~~There are no other than RS Enterprises and Red Capital. Although our affiliate RB Realty generates revenue from Listing Transactions in the form of referral fees or Listing Royalty Fees, franchisees do not contract with, or purchase any goods or services from, the company. Our President, Ken Corsini, owns an interest in RS Enterprises and Red Capital. There are no other~~ approved or designated suppliers in which any of our officers own an interest.

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. As of the issuance date of this Disclosure Document, we receive the following rebates from suppliers:

- Sherwin Williams pay us a rebate on purchases of incentive products made by franchisees that is calculated, for each calendar year, as follows: (a) 4% of annual net sales up to \$5,000,000; and (b) 5% of annual net sales in excess of \$5,000,000
- Lowe's Pro Supply pays us an annual rebate equal to 3% of total purchases made by franchisees in excess of \$1,000,000 during each calendar year (no rebate is paid until total purchases for the year hit the \$1,000,000 threshold)
- ProSource pays us a 2% rebate on purchases made by franchisees

Our total revenue during the fiscal year ended December 31, 2023 was \$2,105,799. During that year, we generated \$1,568 in revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (consisting of rebates from Sherwin Williams and Pro-Source), which represents 0.07% of our total revenue for that year.

[The table below summarizes the revenue generated by our affiliates during the fiscal year ended December 31, 2023 from franchisee purchases, leases or financing:](#)

<u>Affiliate</u>	<u>2023 Revenue from Franchisee Purchases/Leases/Financing</u>
<u>RS Enterprises</u>	<u>\$0</u>
<u>Red Capital</u>	<u>\$27,400</u>
<u>RB Realty</u>	<u>\$3,595</u>

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.

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not Applicable	Item 7 & Item 11
b. Pre-opening purchases/leases	6.3, 11.4 & 15.1	Item 5, Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	7	Item 6, Item 7 & Item 11
d. Initial and ongoing training	5	Item 6 & Item 11
e. Opening	7	Item 11
f. Fees	4.2, 5.4, 5.5, 6.2, 6.3, 6.7, 6.8, 6.9, 10.1, 11.6, 11.8, 13, 15.1, 16.2 & 19.2	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manuals	6.1, 10.3, 11 & 17.1	Item 11
h. Trademarks and proprietary information	17	Item 13 & Item 14
i. Restrictions on products/services offered	11.3	Item 16
j. Warranty and client service requirements	11.7	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	11.4	Item 8
m. Maintenance, appearance and remodeling requirements	11.5	Item 11
n. Insurance	15.1	Item 6, Item 7 & Item 8
o. Advertising	10	Item 6, Item 7 & Item 11
p. Indemnification	18	Item 6
q. Owner's participation/management/staffing	8	Item 11 & Item 15
r. Records/reports	15.2 & 15.3	Item 6
s. Inspections/audits	16	Item 6 & Item 11
t. Transfer	19	Item 17
u. Renewal	4	Item 17
v. Post termination obligations	21	Item 17
w. Non-competition covenants	14	Item 17
x. Dispute resolution	22	Item 17

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	§9 & ATTACHMENT "B"	Item 15

ITEM 10 FINANCING

~~We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.~~

Initial Fees

Our affiliate, RS Enterprises, offers financing for up to 85% of the Initial Fees. The term of the loan is 180 days. If you choose to finance the Initial Fees, you must sign the Promissory Note attached to this Disclosure Document as EXHIBIT "G"-3 (the "Note"). The interest rate is 12% per annum. However, RS Enterprises offers interest-free financing for up to 90 days. The Note requires you to pay 6 monthly installments of principal and (if applicable) interest during the 180-day term of the loan. There are no fees or finance charges imposed other than interest and, if applicable, a 10% late fee for any amounts not paid when due. RS Enterprises does not pay any consideration to us or any other affiliate relating to the financing.

The Note does not require you to provide any collateral as security for repayment. However, if the franchisee is an entity, all owners of the entity, and the spouse of each owner, must personally guarantee the Note in accordance with the Franchise Owner Agreement signed by the owner or spouse.

At any time you may prepay, without penalty, all or any part of the outstanding principal balance due under the Note. If you prepay the entire principal balance within 90 days after signing the Franchise Agreement, you will not be charged any interest. Otherwise, you will pay interest on the outstanding principal balance of the loan at a rate of 12% per annum, commencing the 91st day after you sign the Franchise Agreement, until paid in full.

You are required to repay the entire principal balance of the loan together with all accrued interest (if applicable) no later than 180 days after signing the Franchise Agreement. Your failure to make any payment under the Note when due is a material event of default. If you default:

- the entire principal balance of the loan, together with all accrued interest and a late fee equal to 10% of the amount past due, becomes immediately due and payable
- RS Enterprises may pursue all legal remedies to collect amounts owed under the Note
- RS Enterprises may recover from you all costs it incurs to enforce the Note and collect amounts due, including attorneys' fees and collection agency fees
- we may terminate the Franchise Agreement

The Note requires you to waive: (a) demand, diligence, grace, presentment for payment, protest, notice of nonpayment, nonperformance, extension, dishonor, maturity, protest and default; and (b) recourse to guaranty or suretyship defenses (see §14 of the Note). RS Enterprises does not intend to sell or assign the Note.

Property Acquisition / Renovation Costs

Our affiliate, Red Capital, offers loan brokering services to franchisees seeking financing for the acquisition and/or renovation of investment properties. Red Capital does not fund or originate loans. Instead, Red Capital seeks to match franchisees with lenders and assist with the processing of loan documentation. Franchisees do not pay Red Capital for loan brokering services. Instead, Red Capital typically receives compensation from the lender in the form of a commission ranging from 0.5% to 1.0% of the loan amount.

The interest rate, required security/collateral, repayment term and other terms and conditions of financing vary from lender to lender. They may also vary depending on the creditworthiness of the borrower, amount of financing (i.e., loan to value), term of the loan and other factors. Based on current market conditions, Red

Capital anticipates the following loan terms would apply:

- Purpose: acquisition and renovation of investment properties
- Minimum down payment: 10% of total acquisition and renovation costs
- Interest rate: 7% to 13% per annum
- Application fee: \$0 to \$1,000
- Origination fee / other finance charges: 0% to 3% of loan amount
- APR: 9% to 15% per annum
- Repayment term: 9 months to 30 years depending on nature of property and purpose of loan (e.g., 9 months for a “fix-and-flip” property, 3 years for a bridge loan, or up to 30 years for a rental property)
- Prepayment penalties: unlikely, but possible on a 30-year loan
- Required security: personal guarantee and 1st lien security interest in the acquired property

If you default by failing to make a payment when due, the lender may impose a late fee. If you fail to cure a financial default, the loan documents typically provide the lender with the right to: (a) require you to immediately pay the entire outstanding principal balance of the loan together with all accrued interest and other finance charges; (b) foreclose on its security interest in the property; and/or (c) pursue recourse against the guarantor(s). Your default under the loan documents is not grounds for us to terminate the Franchise Agreement. Red Capital does not expect the lender to sell or assign the promissory note or your payment obligations. Red Capital does not work with a specific group of lenders so it cannot provide sample financing documents.

ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before you open your Business, we [or our affiliate](#) will:

1. Provide access to our Manual, which will help you establish and operate your Business, as discussed below under “Manual”. (§6.1)
2. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Business and a list of suppliers. We do not deliver or install any items you purchase. (§11.2)
3. Provide an initial training program, as discussed below under “Training Program”. (§5.1)
4. [Offer you optional financing for up to 85% of the Initial Fees through an affiliate. \(§13.1\)](#)

During the operation of your Business, we will:

1. Implement the RB Lead Generation Program using the Lead Generation Fees to identify and refer potential buying opportunities to you, as discussed below under “Advertising and Marketing”. (§6.3)
2. License you the right to use our proprietary software, Red Barn Central (RBC), and proprietary RB Communicator training app, as discussed below under “Computer System”. (§6.2)
3. Provide personal coaching to assist you through the first 20 transactions you close (does not include guidance or support relating to the renovation, remodeling, repair or construction of properties you acquire). (§6.7)
4. Provide our guidance and recommendations to improve the operation of your Business. (§6.5)
5. Conduct periodic training programs as discussed below under “Training Program”. (§5.2)
6. Develop, host and maintain a local microsite for your Business. We can modify or discontinue your

microsite at any time. (§6.8 & §10.3)

7. Provide access to various tools, resources and support, which we may change from time to time. The tools, resources and support we currently provide include the following:
 - Weekly Live Training Programs
 - Personalized Coaching
 - Use of Proprietary Software
 - Done-For-You Marketing Program
 - Access to Hard Money Lender(s)
 - National Material Discount Program
 - Construction & Renovation Support
 - Exclusive Accounting System
 - National Member Events(§6.4)

During the operation of your Business, we [or an affiliate](#) may, but need not:

1. Upon your request, provide guidance and recommendations regarding the renovation, remodeling, repair or construction of properties you acquire. We may charge you \$100 per hour if we agree to provide this support. (§6.7)
2. Upon your request, provide personal coaching with respect to transactions other than the initial 20 closed transactions (personal coaching for your initial 20 closed transactions is covered by the Initial Fees described in Item 5). We may charge you \$100 per hour if we agree to provide this additional personal coaching. (§6.7)
3. [Offer loan brokering services for the acquisition and renovation of investment properties.](#) (§6.10)
- ~~3.4.~~ Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the operation and management of your Business or assist you with specific projects. (§6.6)
- ~~4.5.~~ Establish and implement the Brand Fund, as discussed below under “Advertising and Marketing”. (§10.1)
- ~~5.6.~~ Negotiate purchase agreements with suppliers to allow you to purchase certain goods or services at discounted prices. We may also purchase items in bulk at discounted prices and resell them to you at our cost plus shipping and a reasonable markup. (§6.9)
- ~~6.7.~~ Hold periodic conferences to discuss business and operational issues affecting franchisees, including industry changes, new services and/or merchandise, marketing strategies and the like. (§5)
- ~~7.8.~~ Upon request, provide additional training or assistance (either at our headquarters or in your territory), as discussed below under “Training Program”. (§5.2)

Training Program (§5)

Initial Training Programs

We provide our pre-opening initial training program for your Managing Owner and designated manager (if you choose to hire a designated manager). Your other owners (if any) may, but need not, complete initial training. Your Managing Owner and designated manager, if applicable, must successfully complete initial training to our satisfaction before you open your Business (which must occur no later than 150 days after signing the Franchise agreement), although certain aspects of initial training take place after your opening date. You are responsible for training all of your employees other than your designated manager.

Training Fees and Costs

Before you open, we will provide our online training program. The Initial Fees described in Item 5 cover this training. We reserve the right to charge you an additional training fee of up to \$500 per person per day for each person who attends: (a) remedial training; (b) additional training you request; or (c) refresher or supplemental training. If we agree to provide onsite training or assistance, you must also reimburse us for all Travel Expenses we incur. You are responsible for all wages and Travel Expenses that you and your trainees incur for training conducted at our corporate headquarters or any other location we designate. However, we do not currently offer any training at our corporate headquarters.

Manual (§6.1, §11.2 & §24.8)

We will provide you with electronic access to our Manual during the term of your Franchise Agreement. The Manual may include, among other things:

- a description of the authorized goods, services and transactions you may conduct, sell or provide
- specifications, techniques, methods, operating procedures and quality standards
- a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Business and (b) designated and approved suppliers
- policies and procedures pertaining to: (a) marketing and advertising; (b) reporting; (c) insurance; and (d) data ownership, protection, sharing and use reporting and insurance requirements

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. All mandatory provisions contained in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Modifications are effective at the time we notify you of the change. However, we may provide you with a reasonable period of time to implement certain changes (for example, implementing new software or technology). The Manual is confidential and remains our property. [The Manual is 1,400 pages. This page count is an estimate due to the fact that the Manual is web-based with a significant portion consisting of a series of recorded and on-demand training programs without written text.](#) Upon request, we will allow you to review the Manual prior to signing the Franchise Agreement, but you must first sign a nondisclosure agreement.

Site Selection and Development

The RB Business is a home-based business. You do not operate from a separate office or dedicated retail space. You do not need our approval of the location of your home office.

Computer System (§6.8, §11.4, §11.5, §11.6, §15.6 & §16.1)

You must purchase and use all Technology Systems we designate from time to time. One component of our Technology Systems is your “computer system”, which consists of the following items:

- 1 computer (either laptop or desktop) with printer
- Approved bookkeeping software (we currently require QuickBooks Online)
- Red Barn Center (RBC) franchise management software
- RB Communicator training app
- BatchLeads software
- DEXT software

We may change the components of the Technology Systems from time to time, including your computer system.

How Computer System Is Used

The computer system will generally be used to manage and operate your Business, as further discussed below:

Mr. Corsini operates his business subject to the same territorial rights and restrictions imposed on franchisees. In other words, Mr. Corsini will operate his business as if it were an RB Business operating under the same Marks licensed to our franchisees. As a result, we do not anticipate any conflicts between Mr. Corsini’s business and any RB Business operated by a franchisee.

ITEM 13 TRADEMARKS

We grant you the right to use the Marks described below. By trademark, we mean the service mark and logos used to demonstrate your certification in the use of our System. In the future, we may also authorize you to use certain trade names, trademarks, service marks and logotypes to identify your Business or the products or services you sell. We may change the trademarks you may use from time to time, including by discontinuing use of the Marks listed in this Item 13. If this happens, you must change to the new trademark at your expense.

We grant you the right to use our Marks to demonstrate the fact you successfully completed our training program and meet our certification standards for the use of our System. However, you will hold yourself out to the public under a different tradename (which may not include our Marks or any name confusingly similar to our Marks) for the reasons discussed in Item 1. Use of our Marks may be beneficial when dealing with other real estate professionals and approved suppliers (for example, you must use our Marks to receive access to the discounted pricing we negotiated with Lowe’s Pro Supply and ProSource). At any time, we may change our policy and require that you operate your Business only under our Marks.

Our affiliate, Red Barn Homes, LLC (“RBH”), ~~applied to register~~registered the following Marks on the Principal Register at~~of~~ the United States Patent and Trademark Office (USPTO) ~~based on actual use in commerce-~~:

<u>UNREGISTERED MARKS</u>		
<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
<u>RED BARN HOMEBUYERS</u>	<u>7460759</u>	<u>July 30, 2024</u>
	<u>7460760</u>	<u>July 30, 2024</u>

RBH also applied to register the following Mark on the Principal Register of the USPTO based on actual use in commerce:

<u>UNREGISTERED MARK</u>		
<u>Mark</u>	<u>Serial Number</u>	<u>Application Date</u>
	97325865*	March 23, 2022
RED BARN HOMEBUYERS	98063127	June 28, 2023
	98063129	June 28, 2023

* The application for this Mark (Serial Number 97/325,865) (the “865 Application”) is currently in a state of suspension at the USPTO until related matters are resolved first. In January 2023, the examining attorney initially refused the 865 Application based on an alleged likelihood of confusion with 2 existing registrations,

both owned by Randolph–Brooks Federal Credit Union based in Texas (“RBFCU”). Brief investigations indicated the cited marks have not been in meaningful use since approximately March 2017 and revealed the cited registrations would expire in August 2024 if the owner failed to submit ongoing proof of use. After first attempting to expedite the abandonment process through amicable discussions, we filed a Petition to Cancel each cited registration with the owner’s knowledge in April 2024 (we filed Cancellation No. 92084958 on April 15 and Cancellation No. 92084983 on April 18). In each proceeding at the Trademark Trial and Appeal Board (the “TTAB”), opposing counsel withdrew and no answer was timely filed. ~~A In Cancellation No. 92084958, the Board issued a Notice of Default issued on June 6th and June 8th. If no response is received within 30 days of the respective issue date, a true default judgment will be entered 6,~~ followed by ~~cancellation of the~~ a Default Judgment on July 16. In Cancellation No. 92084983, the Board issued a Notice of Default on June 8, followed by a Default Judgment on July 18. Pending final processing, the cited registration–registrations will be cancelled in due course– by the Commissioner for Trademarks and the USPTO’s public record will be updated to reflect the same (likely in early Fall 2024). Accordingly, we expect these barriers to registration of the 865 Application’s registration at the USPTO Application to disappear soon.

The 865 Application also received an advisory of a potential likelihood-of-confusion refusal with an earlier filed application for RB Wealth Partners (~~under Serial No. 90/693,374).~~ (“RBWP”), an intent-to-use application which is itself suspended due to its own underlying conflict. If this cited application should eventually register, the ~~Office noted that it “USPTO may” issue a refusal against the~~ refuse registration of our 865 Application. Follow based on this ostensible likelihood of confusion with RBWP. But the path to registration for RBWP is uncertain, with abandonment as an equally viable outcome. How long that process could take varies based on multiple factors outside of our control. Nonetheless, follow-up research conducted as part of due diligence indicated that our Mark under the 865 Application enjoys clear priority of rights over RBWP by a number of years ~~and, despite the cited application’s earlier filing date.~~ Our research also highlighted many distinguishing factors that we believe mitigate any possible alleged likelihood of confusion in the relevant marketplace at this time. A status review in early June 2024 also suggests that this prior application is unlikely to escape its own suspension. While we We do not anticipate this RBWP advisory will mature into a new barrier to registration ~~of the 865 Application~~ for the 865 Application—whether the issue resolves itself or requires some action on our part remains to be seen. We remain on standby to take appropriate action as the matter develops. Under any circumstance, we are prepared to expeditiously resolve such a matter in a variety of ways.

Except as otherwise disclosed above, there are no effective material determinations of the USPTO, TTAB, the trademark administrator of this state or any court involving our Marks.

We do not have a federal registration for the ~~Marks~~ Mark listed in the table above ~~entitled “Unregistered Mark”.~~ Therefore, ~~these Marks do~~ this Mark does not have many legal benefits and rights as a federally registered trademark. If our right to use ~~any of these Marks~~ this Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits have been filed and we intend to file all renewals by the required renewal date.

Although RBH has not obtained a federal registration for ~~the one of our~~ Marks; (Serial #97325865), it has registered ~~one of the Marks~~ this Mark in the states of Georgia, Louisiana and South Carolina. Details of these registrations are listed in the table below:

STATE REGISTERED MARKS			
State	Mark	Registration Number	Registration Date
Georgia		S-31709	December 8, 2022

Louisiana		11751941#CFG62	June 30, 2023
South Carolina		Cert No. 236427	July 21, 2023

On April 11, 2022, we and RBH formalized a License Agreement ([as subsequently amended](#), the “License Agreement”), effective as of March 23, 2022. Under the terms of the License Agreement, RBH granted us a perpetual, paid-up, royalty-free license to use the Marks throughout the United States in the Red Barn System and to sublicense the Marks to our franchisees. RBH is permitted to terminate the License Agreement only if: (a) we declare bankruptcy or become insolvent; (b) we and RBH mutually agree to terminate the License Agreement; (c) we breach RBH’s quality control standards and fail to cure the breach; or (d) we undergo a change in control or restructuring. If the License Agreement is terminated, the agreement states that all sublicenses granted by us to our franchisees will continue in full force and effect until the expiration or termination of the applicable franchise agreement. Except as discussed above, no agreements limit our right to use or sublicense the use of the Marks.

You must follow our rules when using the Marks. You cannot 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 Red Barn name relating to the sale of any product or service we have not authorized or in any other manner we have not authorized.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate. We are not required to take any action if we do not feel it is warranted. We may require your assistance, but you may not control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our or RBH’s right to the Marks.

The Franchise Agreement does not require us to: (a) protect your right to use the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (b) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our marks or if the proceeding is resolved in a manner that is unfavorable to you.

There are currently no: (a) pending infringements, oppositions or cancellations against any of our Marks; (b) pending material litigation matters involving any of the Marks; or (c) infringing uses we are aware of that could materially affect your use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

Neither we nor our affiliates have filed an application for copyright registration for the Manual, our website, the Red Barn Central (RBC) software, the RB Communicator training app or our marketing materials. However, we and our affiliate do claim a copyright to these items.

During the term of your Franchise Agreement, we will allow you to use certain confidential and proprietary information (some of which constitute “trade secrets”) relating to the development and operation of an RB Business. Examples include:

- methods, techniques, policies, procedures, standards and specifications
- supplier lists and information
- marketing strategies
- financial information
- information comprising the System

guidelines.

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 in this state:

Exhibits to Disclosure Document

EXHIBIT "C" Franchise Agreement
EXHIBIT "F" Other Agreements
EXHIBIT "G"-1 State Addenda
EXHIBIT "G"-2 General Release
EXHIBIT "G"-3 [Promissory Note](#)

Attachments to Franchise Agreement

ATTACHMENT "B" Franchise Owner Agreement
ATTACHMENT "C" ACH Authorization Form
ATTACHMENT "D" Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "I" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

“Post-Term Restricted Period” means, with respect to an Owner, a period of two (2) years after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner’s Transfer of his or her entire ownership interest in the RB Business or Franchisee Entity, as applicable; *provided, however,* that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable then Post-Term Restricted Period means: a period of one (1) year after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner’s Transfer of his or her entire ownership interest in the RB Business or Franchisee Entity, as applicable.

“Prohibited Activities” means and includes any of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, creditor, representative, agent or in any similar capacity) in any Competing Business, other than owning an interest of 5% or less in a publicly traded company that is a Competing Business; (b) disparaging or otherwise making negative comments about us, our affiliate, the System and/or an RB Business; (this provision shall not prohibit the disclosure of truthful information to Governmental Authorities or to other franchisees); (c) diverting or attempting to divert any business from us, our affiliate or another franchisee; and/or (d) inducing any Person to transfer their business from an RB Business to a competitor. The ownership and operation of an RB Business pursuant to a valid Franchise Agreement with us or our affiliate is not a Prohibited Activity.

“Purchase Price” means the total sales price of the property as reflected on the final settlement statement prepared by the title agency.

“RB Business” or an “Red Barn Business” means a Red Barn real estate investment business, and may include Red Barn real estate investment business operated by us, our affiliate, you or another franchisee.

“RB Lead Generation Program” means our proprietary marketing and lead generation program to identify distressed “off the market” properties that may be suitable for House Flipping Transactions or Wholesaling Transactions.

“RBC Software” means our proprietary Red Barn Central (RBC) software.

“Restricted Territory” means the geographic area within: (a) the Territory; and (b) any territory assigned to an RB Business operated by us, our affiliate, or another franchisee that is operational as of the Effective Date and remains in operation during all or any part of the Post-Term Restricted Period; *provided, however,* that if a court of competent jurisdiction determines the foregoing Restricted Territory is too broad to be enforceable then the Restricted Territory means the geographic area within the Territory.

“Shared Territory” means a territory we may grant to more than one (1) RB Business under the circumstances described in §3.1.

“Successor Agreement” means our then-current form of Red Barn Franchise Agreement you must sign pursuant to §4.2 in order to renew your franchise rights.

“System” means our system for the operation of an RB Business, the distinctive characteristics of which include: proprietary marketing and lead generation programs and strategies; proprietary property assessment and evaluation tools and know-how; proprietary software; methodologies and techniques; discount purchasing programs; personalized coaching programs; network of real estate investment professionals; and operating system.

“Technology Systems” means and includes all information and communication technology systems that we specify from time to time, including, without limitation, computer systems, point-of-sale system, property management systems, webcam systems, telecommunications systems, security systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Term” means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 5th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

“Territory” means the territory we grant to you in accordance with §3.1.

“Transfer” means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance,

submit to us and provide our guidance and recommendations on ways to improve the operation of your Business. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by phone, email or other means of communication. However, any transaction-specific (or property-specific) guidance or support we provide will be governed by §6.7 below.

- 6.6. Field Visits.** We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Business. We may prepare and provide you with a report detailing any problems or concerns observed during the field visit together with our instructions to address or resolve such problems or concerns. You must implement all required corrective measures in the time and manner we specify.
- 6.7. Personal Coaching and Transactional Support.** We provide you with personal coaching designed to help guide you through the first 20 transactions you close (either House Flipping Transactions, Wholesaling Transactions, Listing Transactions, or any combination thereof). This personal coaching does not include support with the renovation, remodeling, repair or construction of any properties you acquire. You may request that we provide our guidance and recommendations with respect to the renovation, remodeling, repair or construction of properties you acquire. We have no obligation to provide this support, but may do so at our discretion. The Initial Fees described in §13.1 cover the coaching we provide for the first 20 transactions you close. We may charge you a coaching and support fee of \$100 per hour for: (a) any personal coaching you request in connection with any transaction that occurs after you have closed your initial 20 transactions; and (b) any guidance and recommendations you request relating to the renovation, remodeling, repair or construction of any property you acquire. If we agree to provide any personal coaching, guidance or other support onsite within your Territory, you must also reimburse us for all Travel Expenses we incur.
- 6.8. Website and Microsite.** We may develop and maintain a corporate website for our brand. We will also develop and host a local microsite for your Business, which will include such information about your Business as we deem appropriate. We control all content on your microsite but will consider information you suggest in good faith. We will own our website and your microsite and the associated domain names at all times. We may change or discontinue the website and/or your microsite at any time. We will use a portion of the technology fee to cover our costs to develop, host and maintain your microsite. We also apply a portion of the Initial Fees described in §13.1 towards the assistance we provide in designing and setting up your microsite.
- 6.9. Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for franchisees. We will arrange for you to be able to purchase the goods or services directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We may also purchase goods from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup. We apply a portion of the Initial Fees described in §13.1 towards coordinating orientation meetings with vendor discount partners and facilitating training on the various vendor partner platforms.
- 6.10. Financing.** Our affiliate, Red Capital LLC, may but need not offer loan brokering services if you wish to procure financing for the acquisition and/or renovation of investment properties. Our affiliate is not required to offer this service to you, and if it does, it makes no representation or guarantee that its efforts to procure a lender willing to offer you financing on terms and conditions you deem acceptable will be successful.

- 7. COMMENCING OPERATIONS.** You must open your Business to the public within 150 days after the Effective Date. You may not open your Business prior to receipt of a written authorization to open issued by us. We will not issue an authorization to open before: (a) the Managing Owner and your designated manager, if any, successfully complete our initial training program; (b) you purchase all required insurance policies and provide evidence of coverage; (c) you obtain all required licenses, permits and

* The Initial Fees listed in parenthesis ~~is~~are the discounted fees you pay us if you qualify for the veteran discount.

Unless you finance a portion of the Initial Fees through our affiliate, the Initial Fees are due in full upon execution of this Agreement.

13.2. Royalty Fee.

- (a) Generally. We impose three (3) types of royalty fees, which vary depending on the nature of the transaction. You must pay: (i) an Acquisition Royalty Fee for each property you acquire during the Term (excluding any property you purchase and resell in a Wholesaling Transaction); (ii) a Wholesaling Royalty Fee for each Wholesaling Transaction you close; and (iii) a Listing Royalty Fee for each Listing Transaction that results in the sale of the property. You will only pay one royalty fee for any given transaction. Each royalty fee is imposed on a “per transaction” basis. The escrow agent must pay the royalty fee by wire transfer at the time the underlying transaction closes. The specific royalty fee you pay may vary depending on the royalty fee “tier” applicable to your Business at the time you consummate the transaction giving rise to the royalty fee. You begin at the “Alpha” tier and automatically move up tiers by meeting either: (i) the Acquisition Count associated with the next tier; or (ii) the Acquisition Volume associated with the next tier.
- (b) Acquisition Royalty Fee. In connection with each property you acquire (excluding properties purchased in Wholesaling Transactions), you must pay us an Acquisition Royalty Fee based on the total Purchase Price you pay for the property. The Acquisition Royalty Fee is imposed on, and payable at the time of, your acquisition of the property, regardless of whether you ultimately sell the property. The table below sets forth the various royalty fee tiers, the criteria to move up a tier and the applicable Acquisition Royalty Fee:

ACQUISITION ROYALTY FEE			
Tier Name	Acquisition Count	Acquisition Volume	Percentage Royalty Fee
Alpha	1 to 9	\$0 to \$2,000,000	3.00%
Delta	10 to 19	\$2,000,001 to \$4,000,000	2.75%
Gamma	20 to 39	\$4,000,001 to \$8,000,000	2.50%
Kappa	40 to 74	\$8,000,001 to \$15,000,000	2.00%
Lambda	75 to 99	\$15,000,000 to \$20,000,000	1.50%
Sigma	100 to 199	\$20,000,001 to \$40,000,000	1.00%
Omega	200+	\$40,000,001+	0.25%

- (c) Wholesaling Royalty Fee. You must pay us a Wholesaling Royalty Fee in connection with each Wholesaling Transaction you close. The Wholesaling Royalty Fee is equal to the greater of (i) the applicable “minimum fee” or (ii) the amount calculated by applying the applicable royalty fee percentage against the Wholesale Profit. The table below sets forth the various royalty fee tiers and the applicable Wholesaling Royalty Fee:

exclusively control any litigation or other proceeding relating to the IP Dispute. You must execute all documents, render all assistance, and perform all acts that are, in our counsel's opinion, necessary or advisable to protect or maintain our interest in the litigation or proceeding and/or protect the Intellectual Property.

18. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses they incur as a result of or in connection with:

- (i) the marketing, use or operation of your Business;
- (ii) any Claim brought by a property owner, purchaser, seller, investor or other Person in any way relating to a House Flipping Transaction, Wholesaling Transaction or Listing Transaction performed by you;
- (iii) the breach of a Definitive Agreement committed by you or your Owners or affiliates;
- (iv) the breach of an agreement with a third party committed by you or your Owners or affiliates;
- (v) any Claim relating to taxes or penalties a Governmental Authority assesses against us as a direct result of your failure to pay or perform functions required of you under this Agreement;
- (vi) libel, slander or disparaging comments made by you or any of your Owners, officers, employees or independent contractors regarding the System, any RB Business or an Indemnified Party; (this provision shall not apply to the disclosure of truthful information to Governmental Authorities or other franchisees);
- (vii) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or
- (viii) any actions, investigations, rulings or proceedings conducted by any state or federal agency (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties shall have the right, in their sole discretion, to: (a) retain counsel of their choosing to represent them with respect to any Claim; and (b) control the response thereto and the defense thereof, including the right to enter into an agreement to settle the Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim. You must reimburse the Indemnified Parties for all of their costs and expenses in defending the Claim, including, without limitation, Travel Expenses incurred by attorneys or expert witnesses to attend mediation, arbitration or legal or administrative proceedings or hearings relating to the matter.

19. TRANSFERS

19.1. By Us. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for any obligations incurred by us prior to the effective date of the assignment. We may also delegate our obligations under this Agreement to one or more Persons without assigning the Agreement.

19.2. By You. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold approval if all of the following conditions are satisfied:

Woodstock, Georgia 30188
Attention: Kevin Corsini
Email: kevin@redbarnhomebuyers.com

Notice shall be considered given on: (a) the date delivered by hand or sent by email or comparable electronic system (including any notice that is also sent by mail); or (b) three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

~~{Signature Page Follows}~~

purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6. Communications with Governmental Authorities. Nothing in this Agreement shall restrict or be deemed to preclude you from disclosing truthful information to governmental authorities in response to any request for information you receive from them.

6.7. Miscellaneous.

- (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.
- (b) This Agreement shall be construed and governed by the laws of the State of Georgia.
- (c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.
- (d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.
- (e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.
- (f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.
- (g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.
- (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

EXHIBIT "G"-3

FINANCING DOCUMENTS

[See Attached]

EXHIBIT "G"-3

PROMISSORY NOTE

[SEE ATTACHED]

PROMISSORY NOTE

<u>KEY TERMS</u>	
<u>Creditor</u>	Rock Springs Enterprises, Inc., a Georgia limited liability company
<u>Payment Address</u>	12460 Crabapple Rd., Suite 202-377, Alpharetta, Georgia 30004
<u>Debtor</u>	[REDACTED], a(n) [REDACTED]
<u>Guarantor(s)</u>	[REDACTED] & [REDACTED]
<u>Principal Amount of Loan</u>	[\$REDACTED].00 USD
<u>Loan Date</u>	[REDACTED], 202[REDACTED]
<u>City & State of Issuance</u>	[REDACTED], [REDACTED]
<u>Stated Interest Rate</u>	0% per annum for initial 90-day period after Loan Date (“Interest Free Period”) 12% per annum commencing upon the expiration of the Interest Free Period
<u>Term of Loan</u>	180 days

1. KEY TERMS. The terms and information set forth in the table above entitled “KEY TERMS” are hereby incorporated by reference and form an integral part of this Promissory Note (the “Note”).
2. BACKGROUND. Creditor’s affiliate, Red Barn Homebuyers, LLC, a Georgia limited liability company (“Franchisor”), grants franchises for the operation of a real estate investment business (a “Red Barn Business”) that consists of (a) purchasing, renovating and selling real properties and/or (b) wholesaling real properties. Concurrently with the execution of this Note, Franchisor and Debtor are entering into a Red Barn Franchise Agreement (the “Franchise Agreement”), pursuant to which Franchisor will grant Debtor the right and obligation to own and operate a Red Barn Business. Upon execution of the Franchise Agreement, Debtor is required to pay Franchisor initial fees for various training, coaching and other onboarding services in the total amount of **[\$34,500 OR \$31,050]** (the “Initial Fee”). Debtor has requested a loan from Creditor in order pay the Initial Fee owed to Franchisor.
3. EXTENSION OF CREDIT. Subject to Debtor’s compliance with all of its obligations set forth herein, Creditor hereby agrees to loan to Debtor the sum of \$[REDACTED].00 USD (the “Loan Proceeds”). Debtor shall utilize the Loan Proceeds exclusively for purposes of payment of the Initial Fee owed to Franchisor.
4. PROMISE TO PAY. Debtor hereby promises to pay to Creditor the principal amount of the Loan Proceeds, together with interest on the principal balance outstanding hereunder, from (and including) the Loan Date until (but not including) the date of payment in full, at a per annum rate equal to the Stated Interest Rate specified below in accordance with the terms and conditions set forth herein.
5. CONTRACTED FOR RATE OF INTEREST. The contracted for rate of interest consists of the following: (a) the Stated Interest Rate calculated monthly, applied to the principal balance from time to time outstanding hereunder (but excluding the Interest Free Period) and (b) all Additional Sums (as defined in §9), if any. Debtor agrees to pay an effective contracted for rate of interest which is the sum of the Stated Interest Rate plus any additional rate of interest resulting from the application of the Additional Sums, if any.
6. STATED INTEREST RATE. The principal balance outstanding hereunder from time to time shall bear interest at the Stated Interest Rate. The Stated Interest Rate shall be equal to: (a) 0% per annum during the Interest Free Period; and (b) 12% per annum after the expiration of the Interest Free Period.
7. LATE CHARGE. If Creditor has not received the full amount of any interest or principal payment within 10 days after its due date, Debtor shall pay to Creditor a late charge in the amount of 10% of the overdue payment. Debtor will pay this late charge only once on any late payment. Any late charge incurred by Debtor will be paid upon demand by Creditor.

8. PAYMENTS. Debtor agrees to repay the Note in accordance with the following payment schedule:

<u>Payment</u>	<u>Payment Date</u>	<u>Beginning Balance</u>	<u>Scheduled Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Ending Balance</u>
<u>1</u>	<u> / /202</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
<u>2</u>	<u> / /202</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
<u>3</u>	<u> / /202</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
<u>4</u>	<u> / /202</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
<u>5</u>	<u> / /202</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
<u>6</u>	<u> / /202</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

9. ADDITIONAL SUMS. For purposes of this Note “Additional Sums” means all fees, charges or other sums or things of value (other than the interest resulting from the Stated Interest Rate) that are: (a) paid or payable by Debtor pursuant to this Note or any other document or instrument relating to this Note; and (b) deemed to be “interest” charged by Creditor for purposes of any Georgia law that limits the maximum amount of interest that may be charged in connection with this Note (“Georgia Usury Law”). All Additional Sums shall be payable by Debtor as, and shall constitute, additional interest and the agreed upon “contracted for rate of interest” of this Note shall be deemed increased by the rate of interest resulting from the Additional Sums. It is the understanding and belief of both Debtor and Creditor that the financing transaction evidenced by this Note complies with Georgia Usury Law. If any interest or other charges imposed in connection with this Note are ever determined to exceed the maximum amount permitted by Georgia Usury Law, then Debtor agrees that: (a) the amount of interest or charges imposed in connection with this Note shall be reduced to the maximum amount permitted by Georgia Usury Law; and (b) any amount previously collected from Debtor in connection with this Note that exceeded the maximum amount permitted by Georgia Usury Law at the time such amount became payable hereunder will be credited against the principal balance then outstanding hereunder (or will be refunded to Debtor if the outstanding principal balance hereunder has been paid in full).

10. APPLICATION AND MANNER OF PAYMENTS. Payments received by Creditor with respect to the indebtedness evidenced hereby shall be applied in such order and manner as Creditor may elect in its sole discretion. Unless otherwise elected by Creditor, payments shall first be applied to any late charge imposed pursuant to §7, then to accrued and unpaid interest at the Stated Interest Rate, next to the principal balance then outstanding hereunder, and the remainder to any Additional Sums or other costs or added charges provided for herein. Payments shall be made at the Payment Address set forth above or such other address that Creditor specifies to Debtor in writing.

11. PREPAYMENTS. Payments of principal may be made at any time, in whole or in part, without penalty, provided that all previously matured interest and other charges accrued to the date of prepayment are also paid in full. Notwithstanding any partial prepayment of principal, there will be no change in the due date or amount of scheduled payments due hereunder unless Creditor, in its sole discretion, agrees in writing to such change.

12. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an “Event of Default”: (a) nonpayment of principal, interest or other amounts when due; (b) the calling of a meeting of the creditors of Debtor or any Guarantor; (c) the making by Debtor or any Guarantor of an assignment for the benefit of its creditors; (d) the appointment of a receiver of Debtor or any Guarantor, or the involuntary filing against or voluntary filing by Debtor or any Guarantor of a petition or application for relief under federal bankruptcy law or any similar state or federal law, or the issuance of any writ of garnishment, execution or attachment for service with respect to Debtor (or any assets owned by Debtor) or any Guarantor (or any assets owned by any Guarantor); (e) Debtor’s transfer of any right or obligation under this Note without Creditor’s prior written consent; or (f) termination of the Franchise Agreement for any reason by either Franchisor or Debtor. Upon the occurrence of an Event of Default, the entire principal balance outstanding hereunder, together with all accrued interest and other amounts payable hereunder, at the election of Creditor, shall become immediately due and payable upon notice to Debtor.

13. PERSONAL GUARANTY. If Debtor is a legal entity, the Guarantor(s) listed above (which shall include each person owning any equity interest in Debtor and the spouse of each such person) shall personally guarantee Debtor's obligations under this Note pursuant to §5 of the Franchise Owner Agreement executed by Guarantor(s) in connection with the Franchise Agreement. For purposes of clarity, this Note shall be deemed a "Definitive Agreement" for purposes of the Franchise Agreement and the Franchise Owner Agreement. Except for the personal guarantee of the Guarantors, this Note and the indebtedness evidenced hereby is an unsecured obligation of Debtor. **WAIVERS.** Except as set forth in this Note or the Franchise Agreement, to the extent permitted by applicable law, Debtor and the Guarantor(s) severally waive and agree not to assert: (a) demand, diligence, grace, presentment for payment, protest, notice of nonpayment, nonperformance, extension, dishonor, maturity, protest and default; and (b) recourse to guaranty or suretyship defenses, including, without limitation, the right to require Creditor to bring an action on this Note. Creditor may extend the time for payment of or renew this Note or release any party from liability hereunder, and any such extension, renewal, release or other indulgence shall not alter or diminish the liability of Debtor or any Guarantor except to the extent expressly set forth in a writing evidencing or constituting such extension, renewal, release or other indulgence.

15. COSTS OF COLLECTION. Debtor agrees to pay all costs of collection in the event any payment of interest, principal or other amount is not paid when due. If Creditor must enforce this Note in a judicial or arbitration proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and arbitration costs. In addition, if Debtor breaches any of its obligations under this Note, Debtor must reimburse Creditor for all reasonable legal fees and other expenses Creditor incurs relating to such breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.

16. MISCELLANEOUS.

- (a) Governing Law. This Note shall be construed in accordance with and governed by the laws of the state of Georgia without reference to its principles of conflicts of law.
- (b) Jurisdiction and Venue. Debtor and Guarantor(s) hereby expressly agrees that in the event any actions or other legal proceedings are initiated by or against Debtor, Creditor or Guarantor(s) involving any alleged breach or failure by any party to pay, perform or observe any sums, obligations or covenants to be paid, performed or observed by it under this Note or involving any other claims or allegations arising out of the transactions evidenced or contemplated by this Note, regardless of whether such actions or proceedings shall be for damages, specific performance or declaratory relief or otherwise, such actions shall be brought in the jurisdiction and venue specified in the Franchise Agreement. Debtor and Guarantor(s) consent to such jurisdiction and venue and waive any defenses related thereto. Any action arising under this Note shall be brought in accordance with the dispute resolution provisions contained within the Franchise Agreement.
- (c) No Waiver. No delay or failure by Creditor to exercise any right hereunder shall affect such right, nor shall any single or partial exercise of any right preclude further exercise thereof.
- (d) Joint and Several Liability. If Debtor is comprised of more than one person or entity, the obligations of each of the persons or entities of which Debtor is comprised shall be joint and several.
- (e) Time of Essence. Time is of the essence of this Note and each and every provision hereof.
- (f) Amendments. This Note constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties.
- (g) Severability. If any provision hereof is invalid or unenforceable, the other provisions hereof shall remain in full force and effect and shall be liberally construed in favor of Creditor in order to effectuate the other provisions hereof.
- (h) Binding Nature. The provisions of this Note are binding on Debtor and Debtor's owners, officers, heirs, personal representatives, successors and assigns, and shall inure to the benefit of Creditor and any subsequent holder of all or any portion of this Note, and their respective successors and assigns.

(i) Assignment. Debtor may not assign this Note or any of its rights or obligations hereunder without Creditor's prior written consent, which consent may be withheld in Creditor's sole discretion. Creditor may from time to time transfer all or any part of its interest in this Note without prior notice to Debtor.

(j) Notice. All notices given in connection with this Note must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days' prior written notice):

Creditor: Rock Springs Enterprises, Inc.
12460 Crabapple Rd., Suite 202-377
Alpharetta, Georgia 30004
Attention: _____
Email: _____

Debtor: _____

Attention: _____
Email: _____

Notice shall be considered given on: (a) the date delivered by hand or sent by email or comparable electronic system (including any notice that is also sent by mail); or (b) three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

(k) Construction. This Note shall be construed as a whole, in accordance with its fair meaning, and without regard to or taking into account any presumption or other rule of law requiring construction against the party preparing this Note. The section headings set forth in this Note are for convenience only and shall not have substantive meaning hereunder or be deemed part of this Note.

IN WITNESS WHEREOF, the parties have executed this Note as of the Loan Date set forth above.

DEBTOR

By: _____
Name: _____
Its: _____

CREDITOR

By: _____
Name: _____
Its: _____

ACKNOWLEDGED AND AGREED TO BY THE FOLLOWING GUARANTOR(S):

By: _____
Name: _____

By: _____
Name: _____

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 Red Barn Homebuyers, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Red Barn Homebuyers, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

- _____ Dr. Kevin Corsini; 105 Towne Lake Parkway, Woodstock, Georgia 30188; (678) 707-8114
- _____ Ken Corsini; 105 Towne Lake Parkway, Woodstock, Georgia 30188; (678) 707-8114
- _____ Kristina Wilson; 105 Towne Lake Parkway, Woodstock, Georgia 30188; (770) 766-9939
- _____ Michele Sims; 105 Towne Lake Parkway, Woodstock, Georgia 30188; (770) 766-9939
- _____ Kendra D'Eon; 105 Towne Lake Parkway, Woodstock, Georgia 30188; (770) 766-9939

Issuance Date: June 20, 2024 [\(amended September 11, 2024\)](#)

Red Barn Homebuyers, LLC's agent to receive service of process is listed in EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document that included the following Exhibits:

- EXHIBIT "A" List of State Administrators and Agents for Service of Process
- EXHIBIT "B" Agent for Service of Process
- EXHIBIT "C" Franchise Agreement
- EXHIBIT "D" List of Franchisees
- EXHIBIT "E" Financial Statements of Red Barn Homebuyers, LLC
- EXHIBIT "F" Other Agreements
- EXHIBIT "G"-1 State Addenda
- EXHIBIT "G"-2 General Release
- EXHIBIT "G"-3 [Promissory Note](#)
- EXHIBIT "H" State Effective Dates
- EXHIBIT "I" Receipts

Print Name

(Signature) Prospective Franchise Owner

Date

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Red Barn Homebuyers, LLC.)

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 Red Barn Homebuyers, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If Red Barn Homebuyers, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

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- ~~EXHIBIT "F"~~EXHIBIT "F" Other Agreements
- ~~EXHIBIT "G"~~EXHIBIT "G"-1 State Addenda
- ~~EXHIBIT "G"~~EXHIBIT "G"-2 General Release
- ~~EXHIBIT "H"~~EXHIBIT "G"-3 [Promissory Note](#)
- EXHIBIT "H" State Effective Dates
- ~~EXHIBIT "I"~~EXHIBIT "I" Receipts

Print Name

(Signature) Prospective Franchise Owner

Date

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Red Barn Homebuyers, LLC.)