

Provision	Section In Franchise Agreement	Summary
	18.3.1	<p>admissible in any arbitration or other legal proceeding. If the mediation is unsuccessful in resolving the dispute, then, subject to the exclusions set forth in Section 18.3.1 of the Franchise Agreement, all Disputes must be submitted to binding arbitration before 1 arbitrator of the AAA in accordance with its commercial arbitration rules. The arbitration will be conducted by one arbitrator with at least 7 years of substantive experience in franchise law who will be appointed under the AAA's Commercial Arbitration Rules and who will conduct the arbitration in accordance with such rules. Each party shall bear its own cost of mediation and arbitration and we and you shall share mediation costs equally. This agreement to mediate and arbitrate shall survive any termination or expiration of the Franchise Agreement.</p> <p>The parties shall not be required to first attempt to mediate or arbitrate a controversy, Dispute or claim through mediation if such controversy, Dispute or claim relates to an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information; (ii) any claims pertaining to or arising out of any warranty issue; (iii) any of the restrictive covenants contained in the Franchise Agreement; (iv) any of your payment obligations that are more than 45 days past due; (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency; (vi) any claims relating to your obligations on termination or expiration of the Franchise Agreement; (vii) any claims relating to any Transfer of an interest in you, the Franchised Business or your assets; or (viii) any matters involving danger, health or safety.</p> <p>Dispute resolution requirements are subject to applicable state law.</p>
v. Choice of forum	18.4	<p>All claims not subject to mediation and/or arbitration must only be brought in a competent court of general jurisdiction located in Mecklenburg County, North Carolina or, if appropriate, the United States District Court for the Western District of North Carolina (subject to applicable state law).</p>
w. Choice of law	18.1	<p>North Carolina law governs all claims arising out of the Franchise Agreement, without reference to its conflict of laws provision (subject to applicable state law).</p>

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if

there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2023, there were 11 franchised locations opened 12 or more months as of (each, a “Franchised Location”).

This Item sets forth certain ticket size information and the proposal conversion rate for the Franchised Locations and Affiliate-Owned Location from January 1, 2023 – December 31, 2023 (the “Measurement Period”). The data was obtained through our cloud-based software and reported financial statements. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

Part I of this Item discloses Ticket information including High, Low, Average, and Median for the for the Affiliate Owned Location and 22 Franchised Businesses with 12 or more months of operation as of December 31, 2023. We excluded 2 Franchised Locations that were open less than 12 months as of December 31, 2023

Part II of this Item discloses the aggregate Proposal Conversion Ratio of the 9 Franchised Businesses with 12 or more months of operation as of December 31, 2023. This data is for the period January 1, 2023, through December 31, 2023. We excluded 2 Franchised Locations that met the definition of “open and operating” but did not submit proposals or perform services.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some outlets have sold this much. Your individual results may differ. There is no assurance that you will sell as much.

PART I

TICKET SIZE FOR THE FRANCHISED BUSINESSES WITH 12 OR MORE MONTHS OF OPERATION AS OF DECEMBER 31, 2023

ALL Ticket Size - Summary Statistics	
Highest	\$3,200
Average	\$400
Median	\$493
Lowest	\$50

1. This data includes 9 Designated Territories operated by 2 ownership groups that operated for 12 or more months as of December 31, 2023. We excluded two Designated Territories operated by one ownership group that met the definition of “open and operating” but did not perform services in 2023.
2. Tickets for purposes of Part I is a completed job. The amount of each ticket is the total Gross Sales from a ticket. Change orders are not counted separately as a ticket.

PART II

PROPOSAL CONVERSION RATE FOR THE FRANCHISED BUSINESSES WITH 12 OR MORE MONTHS OF OPERATIONS AS OF DECEMBER 31, 2023

Proposal Conversion Ratio	
Total Proposals:	193
Proposal Conversion Rate	39%

Notes to Part IV:

1. This data includes 9 Designated Territories operated by 2 ownership groups that operated for 12 or more months as of December 31, 2023. We excluded two Designated Territories operated by one ownership group that met the definition of “open and operating” but did not perform services in 2023.
2. The reporting franchisees had the following conversion rates: high of 43.5%, Mean of 31.8%, Median of 31.8%, and Low 20%.
3. Proposal Conversion Ratio means the percentage of total proposals that were accepted, completed, invoiced, and scheduled.

Notes to Item 19 Generally:

1. Prior Trademark. Prior to 2024, the Franchised Locations operated under our prior proprietary mark “Mozzie Dome.” The Franchised Locations began transitioning to our current Proprietary Mark “YARD PATROL PROS” on February 24, 2024.
2. Franchised Location – refers to a Franchised Business operated under a Franchise Agreement.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Franchised Business, however, we may provide you with the actual records of that Franchised Business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our David Blue, at 107 Parr Drive, Huntersville, NC 28078, (704) 644-0087, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	11	11