



FRANCHISE DISCLOSURE DOCUMENT

COASTAL ANGLER MAGAZINE FRANCHISING, INC.

A FLORIDA CORPORATION

DBA COASTAL ANGLER MAGAZINE

"Find Your Outdoors Here"

1980 N. Atlantic Avenue, Suite 230-17

Cocoa Beach, Florida 32931

(321) 777-2773

www.CoastalAnglerMagazine.com

You will operate and manage a business that produces a monthly print and digital publication designed by Coastal Angler Magazine Franchising, Inc., under the trade name Coastal Angler Magazine within a designated territory.

The estimated initial investment ranges from \$28,975 to \$34,600. This includes \$25,000 to \$25,200 that must be paid to the franchisor or its affiliates.

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 us, 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 Tracy Patterson at 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931, (321) 777-2773.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read 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. 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 on franchising.

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

ISSUANCE DATE: February 24, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Florida. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Sales Performance Required.** You must maintain minimum performance levels for printing and distribution. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk of your franchise fails.

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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RECEIPTS (2 COPIES)

ITEM 1
THE FRANCHISOR AND ANY PARENTS,
PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “we”, “us”, “Coastal Angler Magazine”, or “CAM” means Coastal Angler Magazine Franchising, Inc., the Franchisor. "You" means the person, corporation, partnership or other entity (collectively “legal entity”) and your owners who buy the franchise, the Franchisee.

The Franchisor

We are a Florida corporation formed in April 2008. Coastal Angler Magazine Franchising, Inc. does business under our corporate name and the name Coastal Angler Magazine. Our principal business address is 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931.

Our agents for service for process are disclosed in Exhibit J of this Disclosure Document.

Our Business

Coastal Angler Magazine Franchising, Inc. franchises a business known as Coastal Angler Magazine (the “Business”) which offers a monthly print and digital publication through a uniform system consisting of editorial compilation, advertising sales, circulation formulas and promotional endeavors under the business format created and developed by Coastal Angler Magazine Franchising, Inc., (the “System”). Coastal Angler Magazine began offering Coastal Angler Magazine franchises in mid-April of 2008. Coastal Angler Magazine has never conducted a business of the type to be operated by its franchisees, offered franchises in any other line of business, or conducted business in any other line of business. It has an affiliate that offers magazine franchises under a different trademark. See affiliates below.

Coastal Angler Magazine Franchises

Coastal Angler Magazine authorizes you to use its’ trademarks and to operate a Coastal Angler Magazine business for the selling of advertising and the distribution of the monthly Coastal Angler Magazine publication. You will provide these services within a defined territory as determined by us. Your defined area is designated in your Franchise Agreement. A copy of a Coastal Angler Magazine Franchise Agreement is included in this Disclosure Document as Exhibit C.

As of the end of its last fiscal year, we had 34 outlets in 10 states as well as in Costa Rica, the Virgin Islands and Puerto Rico. See Item 20.

Coastal Angler Magazine’s Parents

Coastal Angler has no parent entities.

Coastal Angler's Predecessors

Coastal Angler Magazine has no predecessors. Therefore, no predecessors have ever offered franchisees for this business and no predecessors have ever offered franchises in other lines of business.

Coastal Angler's Affiliates

Coastal Angler Magazine has no affiliates.

The Market and Competition

The sale of Coastal Angler Magazine advertising is not seasonal. You will compete with other businesses including franchised operations, national chains and independently owned print and digital publications offering similar or related services.

Laws and Regulations

Coastal Angler Magazine is not aware of any laws or regulations specific to the publishing business other than the federal advertising laws, but you should check the laws of your local jurisdiction.

ITEM 2 BUSINESS EXPERIENCE

Mr. Benjamin Martin, Chairman of the Board

Benjamin Martin served as a private consultant in the Franchise Industry from October 2003 until June 2007 in Satellite Beach, Florida. From July 2007 until August 2007, Mr. Martin served as a consultant for *Florida Fishing Weekly* in Jupiter, Florida with his primary focus on circulation and promotions. From October 2007 until January 2008, Mr. Martin served as Director of Client Development for Franchise Maker and Director of Franchise Development for Handyman Brigade Franchising Inc. in Melbourne, Florida. From 2008 until present, Mr. Martin has served as Chairman of the Board and Editor in Chief of Coastal Angler Magazine Franchising Inc., now in Cocoa Beach, Florida.

Ms. Tracy Patterson, Chief Operating Officer and Director

Tracy Patterson has been the Chief Operating Officer of Coastal Angler Magazine Franchising, Inc. since February 2018. Prior to that, she served as Vice President of Coastal Angler Magazine Franchising, Inc. from April 2015 to February 2018. Ms. Patterson served on Coastal Angler Magazine Franchising, Inc.'s Board of Directors from February 2015 to September 2016 and again in February 2018. She has also served as Franchise Developer, Director of Training and National Sales Executive since October 2011. Ms. Patterson owned a Coastal Angler Magazine franchise from May 2008 until January 2011.

Mr. Edward Chu, Director

Mr. Chu became a Director on the Board of Directors of Coastal Angler Magazine Franchising, Inc. in February 2018. He has been the C.E.O and Chairman of the Board of CRESC Corporation since 1977 and Home Comfort, Inc. since 2000 in Atlanta, Georgia.

Joseph D. Woody, Sales Representative

Mr. Woody became a Sales Representative of Coastal Angler Magazine Franchising, Inc. in November 2018. He has also been a Senior Intelligence Analyst for Ultisat Corporation, in Gaithersburg, Maryland from November 2011 to the present.. Mr. Woody was an On Station Analyst/OSA Consultant for Consolidated Resource Imaging in Grand Rapids, Michigan from June 2013 to November 2017.

**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**

Franchise Fee

The initial franchise fee is \$25,000 for an exclusive territory with a population range of up to 500,000.

The initial franchise fee is fully earned upon payment, and is not refundable. This fee goes into our general operating fund and is used to defray our costs of recruiting and qualifying new Franchises, fulfilling our pre-opening obligations to new franchisees as well as other operating expenses associated with our business.

Supplies and Equipment Purchases

You will need to purchase supplies and equipment before your business opens. We currently are not a provider of any pre-opening supplies or equipment. See Item 7. You will also be required to purchase and distribute 10,000 copies of the Coastal Angler Magazine but you will not be required to purchase these copies prior to opening your franchise business. See Item 11.

Training

You must complete Coastal Angler’s training program before opening your business. Coastal Angler does not charge tuition for this training for you or your designated manager. For each additional person trained past two people, Coastal Angler may charge a training fee at Coastal Angler’s current training rate, which is currently estimated at \$200.00 per person and is not refundable. You will be responsible for your own travel expenses. See Item 11.

**ITEM 6
OTHER FEES**

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Royalty FA § 4.1 (Note 3)	8% of Gross Revenues	Due by the 15th of each month at the corporate office for the previous month. Example: March royalties are due April 15 th .	“Gross Revenues” means the revenues received from the sale of all items in the operation of the franchise. (Does not include: sales or other taxes, promotional or discount coupons (with the exception of trades) or revenue from regional or national ad sales.
National, Regional and Digital Advertising Revenue FA § 4.3	50% split with us on Gross Revenue from regional and national sales	Due upon receipt each month.	For advertising you sell in the regional or national section of the magazine or digital, you will split 50% of the Gross Revenue with us. See Item 11.
Local Advertising FA § 5.5	Local advertising is at the franchisee’s discretion and is not required	As incurred	Amount will vary. All local advertising must be approved by us prior to use. See Item 11.
Publication Purchase (printing cost) FA § 4.2	Currently 10,000 copies of Coastal Angler Magazine cost \$1,905.20 FOB.	Due upon receipt, by 5:00 p.m. EST the day the local magazine is uploaded. Payment in full is required prior to printing and shipping.	Franchisees are required to purchase and distribute a minimum of 10,000 copies of Coastal Angler Magazine each month. See Item 11. Subject to an increase of not more than 10% per year.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Social Media Account Management Fee FA § 4.5	\$300 a month to manage your social media accounts.	30 days after billing	Imposed if you fail to properly keep such accounts updated and current. See Item 11. Subject to an increase of not more than 10% per year.
Initial Training for Additional Persons FA § 8.3	\$200 per person, per day, plus travel expenses.	2 weeks prior to beginning of training	Training for up to 2 persons is included in the initial franchise fee. This charge only applies if you wish to train more than 2 persons for the 2-5 days. See Item 11. Subject to an increase of not more than 10% per year.
Conference Fee FA § 11.2B	\$250	30 days after billing	The conference fee will be based upon the direct costs to Coastal Angler Magazine of retaining speakers and other direct expenses associated with the conference. You must pay your expenses. Subject to an increase of not more than 10% per year.
Additional Assistance FA § 8.3	\$200 per person, per day, plus travel expenses.	30 days after billing	Coastal Angler Magazine provides opening assistance at no additional charge. Due only for assistance outside the scope of normal support. See Item 11. Subject to an increase of not more than 10% per year.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Transfer of Ownership FA § 17.2	\$2,500	Prior to acceptance of transfer	Payable before you sell your franchise. Due only if you sell or transfer your franchise to a third party.
Audit FA § 7.2	Cost of audit, any understatement, plus 10% interest on understatement	30 days after billing	The audit cost is payable only if audit shows an understatement of at least 2% of Gross Revenue for any month; otherwise we pay audit costs. You must pay any understatement plus 10% interest
Fee for lost manuals FA § 10	Actual replacement cost	Upon delivery	
Interest/Late Charge FA § 7.3	1% per month	On demand.	Franchisee invoices are due upon receipt.
Franchise Renewal Fee FA § 2.1 (E)	\$2,500	30 days prior to renewal	Initial franchise term is 10 years. Each successive term is 10 years.
Customer Advertising Layout & Advertising Design Services FA § 4.4	\$30 and subject per hour as incurred.	Due every Thursday at corporate office for the previous week.	Coastal Angler Magazine provides an optional graphics and design service for speculative or contracted advertising submitted by the Franchisees. All fees are subject to change. This service is provided at our discretion. Subject to an increase of not more than 10% per year.
Indemnification FA § 13.4	Actual amount of Coastal Angler's liabilities	As incurred	Covers claims and liabilities incurred by Coastal Angler relating to your business.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Insurance FA § 13.3	Coastal Angler's actual costs	Upon your receipt of Coastal Angler's invoice	You must reimburse Coastal Angler if you fail to maintain required insurance and Coastal Angler, at its option, purchases insurance for you. See Item 8.
Attorneys' Fees FA § 13.4, Exhibit 3 (13)	Actual amount incurred by Coastal Angler	As incurred	Attorneys' fees and costs for indemnification or enforcing your Franchise Agreement or the Non-Disclosure and Non-Competition Agreement.
Default FA § 16.6	Actual cost to cure your default	On demand	If you are in default of your Franchise Agreement, Coastal Angler may cure the default and you must immediately reimburse Coastal Angler for its costs.
Guaranty FA § 4.6	All your obligations	On demand	Your owners with a 10% ownership interest or greater in the franchise entity and their spouses must personally guaranty your obligations to Coastal Angler to the extent of their percentage ownership interests.

Notes:

1. Except as noted, these fees are payable to Coastal Angler Magazine. The fees and costs in this Item 6 are uniformly imposed for all Franchisees. These amounts are in addition to the initial fees described in Item 5.
2. All fees are non-refundable.
3. "FA" means the Franchise Agreement attached as Exhibit C to this Disclosure Document. The more detailed provisions of your Franchise Agreement on each of these subjects determine your obligations.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT*

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$25,000 - \$25,000	Lump sum	Upon signing of the Franchise Agreement	Coastal Angler Magazine
Additional Person Attending Training	\$0 to \$200 (currently \$200 per additional person beyond 2 people)	Lump sum	Upon attending training	Coastal Angler Magazine
Travel and Living Expense	\$300 - \$500	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Real Estate (Note 1)	\$0 - \$0	As determined by landlord	Prior to opening or as arranged with landlord	Landlord
Uniforms (Note 2)	\$50 - \$300	As determined by vendors	Prior to opening or as arranged with vendors	Vendors
Office Equipment (Note 3)	\$0 - \$800	As determined by vendors	Prior to opening or as arranged with vendors	Vendors
Office Utilities, Telephones and Internet (Note 4)	\$0 - \$500	As incurred	Prior to opening	Suppliers, Utilities, etc.
Office Supplies (Note 5)	\$100 - \$200	As determined by vendors	Prior to opening	Vendors
Collateral Material (Note 6)	\$300 - \$500	As determined by vendors	Prior to opening	Vendors

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer Software	\$25 - \$100	As determined by vendors	Prior to opening or as arranged with vendors	Vendors
Insurance	\$200 - \$500	As determined by vendors	Prior to opening	Vendors
ADDITIONAL OPERATING FUNDS FOR 3 MONTHS (Note 7)	\$3,000 - \$6,000	As incurred	As incurred	Varies
TOTALS (Note 8)	\$28,975- \$34,600	Does not include: real estate purchase, paving costs, property improvements, certain travel expenses, debt service, lease payments or your salary		

*Your estimated initial investment before you begin operating your Coastal Angler business and for your first 3 months of operations are shown in this item. Except for the initial franchise fee, all figures are estimates and payments to Coastal Angler are nonrefundable.

Notes:

1. System is home-based, no additional allowances for rental/real estate and improvements have been made. Rental deposits may be refundable.
2. Uniforms are not required; however, Franchisees are asked to have several shirts embossed with the Coastal Angler Magazine logo to be worn at company training, annual meeting, etc.
3. The low end assumes you already have a standard personal computer and printer. The high end assumes you will purchase a higher quality computer, printer, and scanner.
4. Set-up charges, plus monthly expenses. The low-end assumes you already have a cell phone and internet.
5. Includes letterhead stationery, envelopes, stationery, business cards, etc.
6. Includes media kits, rate cards and printed materials for sales calls.
7. This amount is an estimate of additional funds needed (Working Capital) for the initial phase of your business (first 3 months) based on industry averages, and our estimates of the current costs of operation based on our experience with our franchisees.
8. These numbers are estimates of the range of initial start-up expenses you may incur. These expenses do not include: real estate purchase, paving costs, property improvements, certain travel expenses, debt service, lease payments or your salary. These expenses also do not include payroll costs. We or our affiliates have no obligation to provide financing to you, either directly or indirectly through third parties (see Item 10).

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your Business in compliance with the Franchise Agreement. You must strictly follow all procedures and specifications as set forth in the Operations Manual and other written materials we provide to you (collectively, the “Manual”), which we may modify periodically, and which may be in print or electronic format. We may require you to use an electronic version of the Manual and to access the document using the Internet or an internet created and supported by us. Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, customer recognition, advertising support and availability to be furnished to the public in connection with our Marks.

Required Purchases from Us

Coastal Angler Magazine. There is no minimum sales quota. However you must print and distribute a minimum of 10,000 copies of Coastal Angler Magazine within your territory each month in order to maintain your franchise rights. You will maintain rights to your area even though the population increases. You are free to set your own prices except that we will determine the pricing of the advertisements in the national or regional sections and in any website or social media advertising.

Training. Training for up to two persons is included in the initial franchise fee. In the event you have additional owners or staff persons to be trained, they must be trained by us at Coastal Angler’s current training rate. (See Item 6).

Optional Purchases from Us

Supplies. You may purchase some supplies used to operate your Business from us in the future. We may also provide an optional graphic and design service for speculative or contract advertising at our then current fees. See Item 6. You may also purchase supplies from our approved or designated suppliers. Currently, we are an approved or designated supplier for the business supplies and the graphic and design service, but not the only approved or designated supplier for these certain items. We may derive income from your purchase of supplies and products.

Approved Suppliers

You will need the assistance of a graphic artist in order to properly layout and upload the magazine to our specifications and standards. We currently assign you a freelance graphic artist to use to assist you with your start-up of the franchised business. The freelance graphic artist is required to have a particular computer system that meets our specifications. See Item 11. You will pay the graphic artist directly for your local edition. If you have a designer you prefer to use, you may submit the information on the designer’s experience and software for our review as stated below.

If you would like to purchase any product or service from another supplier, you may request our Supplier Approval Criteria and Request Form. At no cost, upon receipt of the Supplier Request Form, we will study the product or service and, within 30 days, approve or disapprove the supplier.

We base our approval on a number of factors including vendor reputation, quality of products, delivery performance, and credit rating. This approval criteria is available to you upon request. However, we reserve the right to determine, at our sole discretion, whether the proposed product or services meets our standards and specifications. We reserve the right to review, from time to time, our approval of any product, service or supplier and we may revoke our approval of any product, service or supplier at any time and at our sole discretion by notifying you and/or the supplier. We may also derive some rebate revenue from designated and approved suppliers through a program which will serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of compliance with our quality standards by our suppliers. We may receive rebates in excess of our cost to source, approve, and monitor suppliers.

No officer of Coastal Angler Magazine owns an interest in any of the approved suppliers or vendors of Coastal Angler Magazine.

Negotiated Supplier Arrangements

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our franchisees in the future and we may receive rebates or volume discounts from our purchase of products that we resell to you. We may condition our approval of suppliers based on the rebates or volume discounts they provide. We may name ourselves or our affiliates as an exclusive supplier of a service or product. We do not provide material benefits, such as renewing or granting additional franchises, to our franchisees based on their use of designated or approved suppliers. We expect to negotiate purchase arrangements with suppliers or vendors to obtain favorable price terms for its franchisees when possible but we make no guaranty that we will be able to do so.

Specifications for Goods and Services

All supplies and products you use in your business must comply with our standards. We will loan you one copy of the Operations Manual at the beginning of your training. Specific specifications and standards are published in our Operations Manual and do not generally issue specifications and standards to suppliers. We formulate these specifications and standards based on the experience of the Coastal Angler Magazine System. We may make periodic revisions to the Operations Manual by providing copies of the changes to you, in the manner as provided in the Operations Manual, and you must comply with all such changes. See Items 11 and 14. If you wish to have a specification changed, you must secure our written approval. To secure our approval, you must furnish a sample of the specification to us for our review and evaluation. We will have 30 days from the receipt of these materials to test the change and respond to you. If we do not approve the specification change within the 30 days, it is disapproved. We may specify a new service or product as a required product or service within 30 days' notice to you.

Insurance. You must, at all times, maintain insurance as follows: Workers' Compensation Insurance in the minimum amounts prescribed by law in your territory. You must also maintain Comprehensive General Liability Insurance and Product Liability Insurance coverage in such

amounts and upon such terms as may from time to time be required for a publishing business located in your Territory.

Our Revenues from Sales to Franchisees

In the year ended December 31, 2024 based on our audited financial statements (Exhibit G to the Disclosure Document), our Gross Revenues from purchases by franchises of product and services were \$0 or 0% of our total revenues of \$846,671.76.

Percentages of Franchisee Purchases That Are Source Restricted

We estimate that the cost of purchases from designated or approved suppliers represents approximately 2% to 4% of your total purchases in connection with the establishment of your Business, and between 5% and 10% of your ongoing expenses.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Agreement (Notes 1 and 2)	Item in Disclosure Document
(a) Site selection and acquisition/lease	FA § 1, FA Ex. 1	Item 11, 12
(b) Pre-opening purchases/leases	FA § 3, 8	Item 5, 7, 11
(c) Site development and other pre-opening requirements	FA § 8	Item 11
(d) Initial and ongoing training	FA §§ 8, 11, 16	Item 5, 6, 7, 8, 11
(e) Opening	FA § 8	Item 11
(f) Fees	FA §§ 3, 4	Item 5, 6, 7
(g) Compliance with standards and policies/Operations Manual	FA §§ 10, 11, 12, 14, 16	Item 8, 11
(h) Trademarks and proprietary information	FA §§ 12, 14 and Ex. 3	Item 13, 14
(i) Restrictions on products/services offered	FA §§ 11, 12	Item 8, 16
(j) Warranty and customer service requirements	FA § 11, 20	None
(k) Territorial development and sales quotas	FA § 1 and Exhibit 1 of the Franchise Agreement	Item 11, 12
(l) On-going product/service purchases	FA § 11	Item 16

Obligation	Section in Agreement (Notes 1 and 2)	Item in Disclosure Document
(m) Maintenance, appearance and remodeling requirements	FA §§ 9, 11	None
(n) Insurance	FA § 13	Item 7, 8
(o) Advertising	FA §§ 1, 5, 11K	Item 11
(p) Indemnification	FA § 13	Item 11, 13, 14
(q) Owner's participation/management/staffing	FA § 11.2	Item 15
(r) Records/reports	FA § 7	None
(s) Inspection/audits	FA § 7	Item 6
(t) Transfer	FA §§ 17.2, 18.6	Items 6, 17
(u) Renewal	FA §§ 2, 7.2, 9.2	Items 6, 17
(v) Post-termination obligations	FA Ex. 3	None
(w) Non-competition covenants	FA § 15, Ex. 3	Item 14
(x) Dispute resolution	FA § 20.8	Item 15, 17, 22
(y) Guarantees	FA § 17.2, Ex. 2	Items 15, 22

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. Payment of invoices for any products, equipment and supplies that you purchase from us are to be made by check or credit card. We are not obligated to grant you any credit terms. See Item 8.

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

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

Pre-Opening Obligations

Before you open your Business, Coastal Angler Magazine will:

- A. Prior to the acceptance of your Franchisee Fee, we will designate your exclusive Territory. (FA §§ 1.3, 3.1)
- B. You may operate your Coastal Angler business from your home or an office located outside your home. You are responsible for determining the site for your office, which must meet any local or community requirements, if any. You must notify us in advance of the location for any office (other than your home). We do not approve your business

location, and there are no consequences if we recommend your location as long as your location complies with any local laws or ordinances.

- C. We will assist you in selecting and analyzing your business territory. Territory selection is your responsibility but Coastal Angler Magazine assists in the selection by considering population density, traffic patterns, and the proximity of the proposed territory to other Coastal Angler Magazine locations or any other reasonable criteria. Coastal Angler Magazine must approve or disapprove your Territory within 30 days after we receive notice from you. If you and Coastal Angler Magazine cannot agree on the territory selection, you will be provided with two (2) alternative territories. Coastal Angler Magazine will give you an evaluation of each location. You may then choose any one of the three territories. A Territory selection and approval must be made prior to the granting of a Coastal Angler Magazine franchise. We will approve or disapprove your Territory within 30 days after we receive notice of the location from you. (FA § 1.3)
- D. Provide initial training for you and one other person at no charge at our corporate headquarters in Cocoa Beach, Florida. (FA § 8.3)
- E. Any assistance with respect to pre-opening and opening activities shall be conducted as reasonably determined by Coastal Angler Magazine including the first week of operation of your business. (FA § 8.3B)
- F. You are required to open your Business one to three months after you sign our Franchise Agreement. The factors that affect this time are the ability to obtain financing or permits, zoning licensing and local ordinances. If you do not make reasonable efforts to open your location by the end of three months, we reserve the right to terminate this agreement and retain all monies received. (Franchise Agreement § 11.2I)

Post-Operating Obligations

During the operation of your Business, Coastal Angler Magazine will:

- A. Research the possibility of developing new services, promotions, products, programs and methods of business operation, and provide you with information about these developments. (FA §8.3E)
- B. Loan you a copy of our confidential Operations Manual, which contains mandatory and suggested specifications, standards, procedures and rules by Coastal Angler Magazine. The Operations Manual has a total of 202 pages. The Manual is confidential and remains Coastal Angler Magazine's property. We may modify the Manual, but the modification will not alter your status and rights under the Franchise Agreement. You have the right to view the Coastal Angler Magazine's Operating Manual in our corporate office in Cocoa Beach, Florida before you purchase the Franchise. The Contents of Operations Manual as of the date of this disclosure document is attached as Exhibit E. (FA § 10)

- C. Provide you with access to the online Media Kit and Sales Promotion Flyers. (FA § 5.2)
- D. We will offer you such continuing advisory services as we deem necessary or advisable in connection with furthering your franchised business, the business of the franchise system, the trademarks, service marks and goodwill of Coastal Angler Magazine. (FA §8.2, § 14.1)
- E. We may include your franchise on our website and provide you with a page on our website or a social media account that you may customize. (FA § 11.2J)
- F. We may provide to you, at our discretion, visits by our field representative during the term of your Franchise Agreement. (FA § 8.3D)
- G. We may hold annual conferences to discuss ongoing changes in the industry, operational techniques, product and service developments, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and new service procedures. The conference fee will be based upon the direct costs to Coastal Angler Magazine of retaining speakers and other direct expenses associated with the conference. We will not receive any income from these conferences. We estimate that the conference fees will range from \$200 to \$500 per conference. You must pay all of your travel and living expenses. These conferences will be held at our corporate headquarters or at any other location chosen by Coastal Angler Magazine. Attendance at annual conventions will be mandatory for all Franchisees. (FA § 11.2B)

Advertising

- A. Coastal Angler Magazine provides advertising and promotional materials and services to you. Materials provided may include video and audiotapes, copy ready print advertising materials, posters, banners and miscellaneous point-of-sale items. You will receive one sample of each at no charge. If you want additional copies you must pay duplication costs. We may use both outside advertising and marketing agencies and internal staff to create advertising formats. We reserve the right to contact all your advertisers regarding your advertising sales and promotions. There is no specific amount of local advertising that is required. We are not required to spend any amount on advertising in your territory. (FA §§ 5.2 and 5.5).
- B. You may develop advertising materials for your own use, at your own cost. We must approve the advertising materials in advance and in writing. We will approve or disapprove your advertising materials within 15 days from receipt. If Coastal Angler Magazine does not respond within the 15 days, then your advertising material will be considered approved. Your submission of the monthly revenue report prior to uploading the report will also be construed as our approval. (FA § 5.2)

- C. At the present time, any advertising that you sell for placement in the Coastal Angler Magazine is done on a space availability format basis by our production department. We reserve the right to reject any advertising that we, at our sole discretion deem inappropriate or in opposition to the standards and integrity our Mark. We will notify you within five business days of any advertising that has been rejected. (FA § 5.4)
- D. We may receive rebates or volume discounts from our purchase of products that we resell to you. These rebates serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of compliance with our quality standards by our suppliers but we may receive rebates in excess of our cost to source, approve and monitor suppliers. (FA § 12.1)
- E. In the future, a local or regional advertising cooperative, which we call an Advertising Pool, may be established. You must participate in an Advertising Pool when it is established in the territory where your Business is located. Membership will include all the franchisees in that region. These Advertising Pools will be established, administered, and operated by a majority vote of the franchisees in that region. You will contribute the amount determined by the majority vote of the franchisees in that region, which we anticipate will a proportional share based on the number of franchisees in an area but may also be based on population or the distribution of the advertising in the region. If we have any corporate or affiliated owned outlets in the region, these businesses will also contribute on the same basis as other franchises. We do not anticipate that the franchisees in the region will prepare any governing documents, but if they do, these documents will be available for your review. (FA § 5.3) There is no advertising council of franchisees.
- F. As stated earlier, you select your Business territory within your area subject to Coastal Angler Magazine's approval. Coastal Angler Magazine assists in territory selection by telling you the proximity of the proposed territory to other Coastal Angler Magazine businesses and factors that have been considered for other Coastal Angler Magazine proposed businesses. (FA § 1.3)
- G. You may not advertise independently on the Internet or on any social media platform or format without our approval. We will maintain all web pages. However, your territory will have a link on the Coastal Angler Magazine to your web page and you will be responsible for developing your territory's web page. We may also assign you a social media account such as a dedicated Facebook page, but we will need to maintain administrative control and access for brand protection. You must keep your web page and any dedicated social media account current and updated. We may assist you in the development of your web page or social media account, and we reserve the right to approve or disapprove of any form or content within the make-up of your web page or social media account. We will own all rights to any websites and internet commerce names that we establish or that have our trademarks and the data collected through such ecommerce. (FA § 5.6)
- H. You are not required to participate in any advertising fund operated by us.

Computer Related Requirements for Franchisees

We do not currently require you to purchase any particular computer hardware to establish or operate the Business, but we do specify the standards for computer and communication equipment and Internet access. You will be required to subscribe to Quickbooks online standard to use in the operation of your Business. For desktop publishing, your graphic artist will need to purchase Adobe Creative Suite. The minimum requirement to run both is for Windows: Intel® Pentium® 4, Intel Centrino®, Intel Xeon®, or Intel Core™ Duo (or compatible) processor Microsoft® Windows® XP with Service Pack 2 or Windows Vista™ Home Premium, Business, Ultimate, or Enterprise; for Macintosh PowerPC® G4 or G5 or multicore Intel processor or Mac OS X v10.4.8–10.5 (Leopard); and a high speed (broadband) internet connection. We reserve the right to specify computer software and to specify other computer-related standards in the future. You are required to have an electronic Coastal Angler Magazine or The Angler Magazine assigned email address and periodically check your electronic mailbox and the portion of our Website devoted to Franchisees. We reserve the right to market and sell our Products over the Internet.

The software will generate business information and Coastal Angler Magazine will use it to collect daily business reports, cash summaries and a dynamic customer database. We will have independent access to these types of generated and stored information via modem. However, we will be restricted to the information relating to your location. We have the contractual right to pull the necessary data from your computer, but as a practical matter would be unable to do so without your cooperation. We will not have the right to access other types of data on your computer and does not have the ability to access other types of data independently. We may introduce Franchisee program software and may require you to have it.

You may be required to upgrade your software in order to utilize the computerized system, as technological advances require. You will be responsible for the cost of such upgrades. You will not be required to upgrade your software more often than once a year.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems.

The estimated cost for your graphic artist to lease or purchase the computer system (including maintenance, repairs and updates) ranges from \$1,200 to \$3,000. We assign each franchisee a freelance graphic artist who is required to have the computer system installed, at their expense. To our knowledge, no franchisee has had to buy this equipment. Each franchisee pays their graphic artist directly for their local edition.

Training

Our initial training program as of the date of this Disclosure Document is described in the following chart:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Hiring Employees	As needed	0	Corporate Headquarters
Advertising Sales	5 Hours	0	Corporate Headquarters, Franchisee's work site, or Remote.
Editorial	3 Hours	0	Corporate Headquarters, Franchisee's work site, or Remote
Special Programs	1 Hour	0	Corporate Headquarters Franchisee's work site, or Remote
Distribution	1 Hour	0	Corporate Headquarters, Franchisee's work site, or Remote
Desktop Publishing	1 Hours	0	Corporate Headquarters, Franchisee's work site, or Remote
Operating Procedures	2 Hours		Corporate Headquarters Franchisee's work site, or Remote
Reporting & Accounting	1 Hour	0	Corporate Headquarters, Franchisee's work site, or Remote
Support Procedures	1 Hour	0	Corporate Headquarters Franchisee's work site, or Remote
Marketing & Promotions	1 Hour	0	Corporate Headquarters Franchisee's work site, or Remote

The Franchisee will be notified regarding the training location prior to signing its Franchise Agreement. Within 60 days after signing the Franchise Agreement, or any other time as may be mutually agreed upon, you or your designated manager will be trained by a Coastal Angler Magazine instructor. Tracy Patterson, our Chief Operating Officer is the current instructor. She has over sixteen years' experience with the Coastal Angler Magazine system and at least sixteen years' experience in each subject. The following subjects will be covered: Hiring Employees, Advertising Sales, Editorial, Special Programs, Desk Top Publishing, Operating Procedures, Reporting and Accounting, Support Procedures, and Marketing. The chart above details the requirements for each subject area in terms of hours of classroom training, instructional material utilized, hours of job training, and the instructor's location.

You or your designated manager must attend our two day training program within sixty (60) days of executing the Franchise Agreement. You may elect to have additional employees trained at your own expense. The training program will be conducted as often as necessary to enable each franchisee to complete it prior to opening of business. We do not charge for this training or service (unless more than 2 people are attending), but you must pay the travel and living expenses for you and your employee(s) if any. The cost of training additional employees will be the then-current fee which is currently estimated at \$200 per person, plus travel expenses. All training, except any on-site training, will be held at the Coastal Angler Magazine training center in Cocoa Beach, Florida, other locations selected by us or remote. You must complete this training

to our satisfaction or repeat the training, at no cost. After satisfactorily completing this initial training, there is no other pre-opening mandatory training requirement, however periodic seminars and tutorials may be offered and attendance may be mandatory. (FA § 8.3)

In addition to opening assistance, for an additional fee, Coastal Angler will provide on-site training as needed.

ITEM 12 TERRITORY

You will have an exclusive territory for your fishing magazine business (the "Territory"), which will be delineated by boundary streets, highways, zip codes or county/parish lines, sufficient to cover a population range of up to 500,000. You must continue to meet your mandatory printing and distribution requirements to maintain your franchise which includes your exclusive Territory. We will not operate a fishing magazine business or grant fishing magazine franchises for a similar or competitive business under the Coastal Angler or the Angler trademark within your exclusive Territory except when we may advertise cooperatively with you and other appropriate franchisees. We may offer such a non-fishing magazine franchise in your exclusive Coastal Angler magazine territory. We may, directly or through one of our affiliates, sell products or services that are different than the Coastal Angler fishing magazine franchised business under a different name or using the mark Coastal Angler through other retail and wholesale channels of distribution (including by means of the internet, mail order catalogues, direct mail advertising) in your Territory. We are not required to pay you if we sell a non-fishing magazine franchise inside your Territory or sell non-fishing magazine products inside your Territory.

Neither Coastal Angler Magazine nor you can advertise or solicit orders within another franchisee's exclusive territory or outside of your exclusive territory for any magazine business.

You will propose a territory for our evaluation but we will assist you in the selection. We must approve or disapprove of your proposed territory within thirty (30) days after you tell us the location. A territory will be designated before you sign the Franchise Agreement.

You do not have any option, rights of first refusal or other similar rights to acquire additional franchises within the territory or other continuous territories by signing a Franchise Agreement. Each Franchise Agreement is a separate and distinct transaction between you and Coastal Angler Magazine.

Your Territory may not be altered during the term of your franchise. If you request approval for relocation of your franchise business, we will evaluate the proposed territory to determine if it meets our population requirements and if we are able to offer a franchise in that proposed territory. You must meet these conditions before we approve relocation of the franchise business. Upon renewal for a new franchise term, you will execute the current form of Franchise Agreement, which may contain materially different terms. There are no other circumstances that permit Coastal Angler to modify your territorial rights.

Coastal Angler franchisees are not subject to a minimum sales quota. However, you must print and distribute a minimum of 10,000 copies of Coastal Angler Magazine within your territory each month to maintain your franchise rights. If you fail to print and distribute this quantity, then you will be in breach of your Franchise Agreement and your Franchise Agreement may be terminated if you do not cure this breach by printing the required amount.

You must have our approval of any marketing materials that you use. You may not maintain a World Wide Web site or a presence or advertise on the Internet, Facebook, blog, Twitter account or other similar electronic media, or on any other public computer network, or any other kind of public modality, using the Coastal Angler marks without our prior written consent, which may be withheld in our sole judgment. We retain vendors to establish, maintain and manage internet web pages, Facebook and Twitter accounts and other social media for the benefit of the Coastal Angler franchise.

Other Coastal Angler franchisees do not have the right to market to customers in your area.

**ITEM 13
TRADEMARKS**

Licensed Trademarks

We grant you the right to operate a business under the name Coastal Angler Magazine or The Angler Magazine. You may also use our other current or future trademarks to operate your Business. By trademark Coastal Angler Magazine means trade names, trademarks, service marks, commercial symbols, and logos used to identify the Business (the “Marks”). You must indicate, as required in the Franchise Agreement, that you are an independent operator of the Business and you must use the appropriate trademark and copyright marks indicated by Coastal Angler Magazine.

Registrations

We own the following registrations on the principal register of the United States Patent and Trademark Office (“USPTO”) and have a common law trademark in the below design:

Mark	Registration (Serial) Number	Registration Date
Coastal Angler Magazine (word mark)	3527083	11-4-2008



We own the following registrations on the principal register of the United States Patent and Trademark Office (“USPTO”):

Mark	Registration (Serial) Number	Registration Date
<p data-bbox="418 327 711 401" style="text-align: center;">The Angler Magazine (words and design)</p> 	5543751	08-21-2018

An Affidavit of Use and Incontestability for Coastal Angler Magazine (word mark) was filed on March 27, 2014. This mark was also renewed on June 27, 2018. An Affidavit of Use for the Angler Magazine (design mark) was filed on August 10, 2017 as part of registration. We intend to file all necessary renewals before the due date. No other affidavits of use or renewals were required to be filed as of the date of this Disclosure Document.

Proceedings, Agreements and Infringements

There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state, no pending infringement, opposition or cancellation proceedings, no pending material lawsuits, and no agreements currently in effect, concerning the trademarks that could materially affect your rights. We are not aware of any superior prior rights to the Coastal Angler Magazine name or marks which could materially affect your rights.

Infringements

We are not aware of any infringing uses of the Coastal Angler Magazine name or marks which could materially affect your rights.

Protection of the Marks

You are required to notify Coastal Angler Magazine of any infringing use of Coastal Angler Magazine’s trademarks. We must indemnify you against all claims for trademark infringement based on your authorized use of Coastal Angler Magazine’s trademarks listed above in accordance with your Franchise Agreement and the Manual. You must immediately give us written notice of any claim against you. We may take whatever action it deems appropriate regarding any infringement, and has the right to control any proceedings relating to any such claim.

Change of Marks

If it becomes advisable at any time for us to modify or discontinue using any trademark or to use one or more additional or substitute trademarks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the trademark, or for any loss of revenue due to any modified or discontinued trademark, or for your expenses of promoting a modified or substitute trademark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

There are no patents material to your franchise.

Copyrights

Copyrighted Materials. Coastal Angler Magazine's Manuals and marketing materials are protected by copyright. These copyrights have not been registered. The Franchise Agreement grants you the right to use these copyrighted materials for the term of the Franchise Agreement. If we decide to add, modify or discontinue the use of copyrighted material, then you must do so also, at your expense.

Proceedings and Agreements. There are no pending copyright applications relating to Coastal Angler Magazine's copyrighted materials. There are no determinations of the Copyright Office or any court, no pending interference, opposition or cancellation proceedings, and no agreements concerning any copyrighted materials that could materially affect your rights.

Infringements. We have no actual knowledge of any infringing uses of its copyrights, and there is no pending litigation regarding the copyrights that could materially affect your rights.

Protection of the Copyrights. You are required to notify us of any infringing use of Coastal Angler Magazine's copyrights. We must indemnify you against all claims for copyright infringement based on your authorized use of Coastal Angler Magazine's copyrighted materials in accordance with your Franchise Agreement and the Manual. You must immediately give Coastal Angler Magazine written notice of any claim against you. Coastal Angler Magazine may take whatever action it deems appropriate regarding any infringement, and has the right to control any proceedings relating to any such claim.

Change of Materials. You are required to discontinue the use of any of our copyrighted materials that we have discontinued at your own expense. If we have modified our copyrighted materials, then we will provide you with the modified materials and instructions for their use and the discontinuance of the revised materials.

Confidential Information

You will be entitled to use Coastal Angler Magazine's confidential and proprietary Manuals in the conduct of your Coastal Angler Magazine business and you will have access to other confidential information, including marketing techniques and customer lists used in the conduct of your business. See Items 8 and 11. We are the sole owner of the confidential information and you will acquire no interest in the confidential information, other than the right to use it in the development and operation of your Coastal Angler Magazine's Business while the Franchise Agreement is in effect. You also will not have any proprietary interest in any work product that you develop or use in the operation of your Coastal Angler Magazine Business.

You are obligated to protect the confidentiality of this information and materials, and to prevent the wrongful disclosure or duplication of these materials and the information in them.

You, and your officers, directors, designated representatives, owners and any employee with access to confidential information must each sign the Non-Disclosure and Non-Competition Agreement ("Confidentiality and Non-Competition Agreement") attached to this Disclosure Document as Exhibit 3 to the Franchise Agreement.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS

We do not require that you directly supervise the franchised Business. You or a manager who has successfully completed our training program must directly supervise the Business. The manager cannot have an interest or business relationship with any of our business competitors. The manager need not have an ownership interest in you. The manager must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14 and to conform to the covenants not to compete described in Item 17. Each individual who owns a 10% or greater interest in you must sign a guarantee agreement assuming and agreeing to discharge all of your obligations under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale to the public only those types of products and services that are authorized and approved by us. We reserve the right, at our sole discretion, to change the types of authorized Coastal Angler Magazine goods and services upon reasonable notice to you. There are no contractual limits on Coastal Angler Magazine's right to make changes. You must offer all goods and services that we designate as required for all franchisees.

You are not restricted as to whom you may sell or provide service to, so long as the customer is located within the area designated as your Exclusive Territory. You may not solicit advertising from businesses outside your territory.

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

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	FA § 2	10 years
b. Renewal or extension of the term	FA § 2	If you are in good standing, you can add additional term(s) of 10 years each
c. Requirements for franchisee to renew or extend	FA § 2	You must be in good standing, pay a renewal fee of \$2,500, modernize your business to a current standard and sign a general release. If you wish to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your original or previous franchise agreement, except that the initial fee will be waived
d. Termination by franchisee	FA § 16.1	The franchisee may terminate the agreement on any grounds available by law
e. Termination by franchisor without cause	FA §§ 16.2 and 16.3	Subject to state law, we can terminate if you violate agreement
f. Termination by franchisor with cause	None	We cannot terminate without cause
g. "Cause" defined – curable defaults	FA § 16.3	Subject to state law, you have 30 days to cure: non-payment of fees, non-submission of reports and any other default not listed in FA § 21A; 10 days to cure repeated defaults

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	FA § 16.2	Subject to applicable law, non-curable defaults: two or more defaults within 12 months even if cured, abandonment, trademark misuses, unapproved transfers, failure to purchase and distribute the required magazine copies, failure to attend the mandatory convention and unilateral repudiation
i. Franchisee's obligations on termination/non-renewal	FA §§ 14, 16.4-16.6	Obligations include complete indemnification, non-competition and payment of amounts due
j. Assignment of contract by franchisor	FA §§ 17.1-17.7	No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the franchise agreement
k. "Transfer" by franchisee – defined	FA § 17	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	FA § 17	We have the right to approve all transfers but will not unreasonably withhold approval; we must approve any sales listing or advertising with our trademarks
m. Conditions for franchisor approval of transfer	FA § 17.2	New franchisee qualifies, \$2,500 transfer fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee
n. Franchisor's right of first refusal to acquire franchisee's business	FA § 18	We can match any offer for your Business
o. Franchisor's option to purchase franchisee's business	FA § 18	We may purchase your inventory and equipment at an agreed upon fair market value; or by appraisal if franchise is terminated for any reason

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	FA § 17.4	Franchise must be assigned by estate to approved buyer within 6 months
q. Non-competition covenants during the term of the franchise	FA §§ 15, 17	Subject to state law, no involvement in competing business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	FA §§ 15, 17; Exhibit 3	Subject to state law, no involvement in any magazine business (in any format or genre) for 2 years in your territory or the state in which your territory is located (including after assignment); keep trade secrets confidential, all other materials confidential for 10 years.
s. Modification of the agreement	FA § 20.5	No modifications generally but Operations Manual is subject to change
t. Integration/merger clause	FA § 20.5	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	FA § 20.8	Except for certain claims, all disputes must be arbitrated. There is no mediation. Subject to state law.
v. Choice of forum	FA § 20.7	Arbitration must be held where we have our principal place of business, currently Brevard County, Florida. We may seek injunctive relief anywhere. Subject to state law.

Provision	Section in Franchise Agreement	Summary
w. Choice of law	FA § 20.7	Federal and Florida law apply. The forgoing choice of laws should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York. Subject to state law.

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised businesses. 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 business, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Coastal Angler Magazine Franchising, Inc. at 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931, telephone number 321-777-2773, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION
TABLE NO. 1**

**SYSTEMWIDE OUTLET SUMMARY FOR
Years 2022 to 2024 (Note 1)**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	32	33	+1
	2023	33	33	0
	2024	33	33	0
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	33	34	+1
	2023	34	34	0
	2024	34	34	0

Note:

1. All numbers are as of December 31st for each year.

TABLE NO 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2022 to 2024 (Note 1)**

State	Year	Number of Transfers
AL	2022	0
	2023	0
	2024	1

State	Year	Number of Transfers
FL	2022	1
	2023	3
	2024	3
GA	2022	1
	2023	0
	2024	0
MS	2022	0
	2023	0
	2024	0
Total Transfers	2022	2
	2023	3
	2024	4

Note:

1. All numbers are as of December 31st of each year.

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AL	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
AK	2022	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
CA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
CO	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
CR	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
FL	2022	15	2	0	0	0	0	17
	2023	17	0	0	0	0	0	17
	2024	17	1	0	0	0	1	17
GA	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	2	1
KY	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
LA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2024	0	0	0	0	0	0	0
MD	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
MA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
MI	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
MS	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NY	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
NH	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
NC	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
OH	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
PR	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
RI	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
SC	2022	1	0	0	0	0	1	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TN	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
TX	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
VI	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals (Note 1)	2022	32	5	0	0	0	4	33
	2023	33	1	0	0	0	1	33
	2024	33	3	0	0	0	3	33

Note:

1. All numbers are as of December 31st of each year.

These totals do not reflect franchisees who have signed Franchise Agreements, but have not opened their outlets by year end. See Exhibit F.

A list of the names, addresses and telephone numbers of all our franchisees and their outlet locations as of December 31, 2024 is attached to this Disclosure Document as Exhibit E. There are no company owned outlets. The name, city and state and current business telephone number, or if unknown, the last known home telephone number, of every franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the disclosure document issuance date is listed in Exhibit F. This information includes any franchisees who transferred their rights to another franchisee. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not required any franchisee to sign a confidentiality clause during the last three fiscal years that would restrict them from speaking openly with you about their experience with us.

The following independent franchise association has asked that their contact information be included in this disclosure document. No other franchisee associations have asked to be included in this disclosure document.

Independent Association of CAM/TAM Franchisees
 An affiliated chapter of the American Association of Franchisees & Dealers
 PO Box 10158
 Palm Desert, CA 92255-1058
 Phone: 619-209-3775

Fax: 866-855-1988
 Email: Benefits@aafd.org

**TABLE NO. 4- STATUS OF COMPANY-OWNED OUTLETS
 FOR YEARS 2022-2024 (Notes 1 and 2)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Notes:

1. All numbers are as of December 31st of each year.
2. If you are purchasing a company location that was previously a franchise location, we will provide you with the former franchisee's contact information, the time period that the franchisee controlled the location, the reason for the ownership change and the length of time that we controlled the location.

**TABLE NO. 5
 PROJECTED OPENINGS
 AS OF DECEMBER 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened (Note 1)	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
AL	0	1	0
FL	0	0	0
GA	0	1	0
LA	0	1	0
NY	0	1	0

State	Franchise Agreements Signed But Outlet Not Opened (Note 1)	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
NC	0	1	0
SC	0	1	0
Totals	0	6	0

Note:

1. See Exhibit E for the names and addresses of franchisees with outlets yet to be opened as of the date of this Disclosure Document.

**ITEM 21
FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit G are our audited financial statements for the fiscal years ending December 31, 2022, December 31, 2023 and December 31, 2024.

**ITEM 22
CONTRACTS**

Attached as Exhibits to this Disclosure Document are copies of the following agreements relating to the offer of the franchise:

- Exhibit C - Coastal Angler Magazine’s Franchise Agreement and its Exhibits:
 - 1 - Territory Descriptions
 - 2 - Personal Guaranty
 - 3 - Non-Disclosure and Non-Competition Agreement
 - 4 - Addendums Required by State Law
 - 5 - General Release
- Exhibit H - Receipt for Completed Documents
- Exhibit I - Confirmation of Sales Procedures

**ITEM 23
RECEIPTS**

The last two pages are detachable documents acknowledging your receipt of this Disclosure Document.

**EXHIBIT A
STATE AGENCIES EXHIBIT**

California	California Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 W. 4th Street, Suite 750 Los Angeles, California 90013-2344 866/275-2677 2101 Arena Boulevard Sacramento, California 95834 866/275-2677 1455 Frazee Road, Suite 315 San Diego, California 921018 866/275-2677 One Sansome Street, #600 San Francisco, California 94104-4428 866/275-2677
Connecticut	Connecticut Department of Banking Securities and Business Investment Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 860/240-8295
Florida	Department of Agriculture and Consumer Services Division of Consumer Services 2005 Apalachee Parkway Tallahassee, Florida 32399-6500 800/424-7352
Hawaii	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 808/586-2722
Illinois	Illinois Attorney General, Franchise Division 500 South Second Street Springfield, Illinois 62701 217/782-4465 or 217/782-4462
Indiana	Indiana Secretary of State 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 317/232-6681
Iowa	Iowa Securities Bureau

340 E. Maple Street
Des Moines, Iowa 50319-0066
515/281-4441

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
410/576-7786

Michigan
Attn: Franchise
Consumer Protection
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
517/373-7567

Minnesota
Minnesota Department of Commerce
Securities Section
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
651/539-1600

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities/Financial Institutions Division
1526 K Street, Suite 300
Lincoln, Nebraska 68508-2732
P.O. Box 95006
Lincoln, Nebraska 68509-5006
402/471-2171

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Floor
New York, New York 10005
212/416-8222

North Dakota
North Dakota Securities Department
State Capitol, 14th Floor, Dept. 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
701/328-4712

Oregon
Department of Consumer and Business Services
350 Winter Street NE, Suite 410
P.O. Box 14480
Labor and Industries Building
Salem, Oregon 97509
503/378-4100

Rhode Island	Rhode Island Department of Business Regulation Securities Division 1511 Pontiac Avenue - Building 69-1 Cranston, RI 02920 401/462-9527
South Dakota	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 605/773-3563
Texas	Secretary of State James Earl Rudder Office Building 1019 Brazos Street [Zip 78701] P. O. Box 13193 Austin, Texas 78711-3193 512/475-0775
Utah	Department of Commerce State of Utah Department of Commerce P.O. Box 8414-6704 Salt Lake City, Utah 84114-6704 801/530-6601
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 804/371-9051
Washington	Department of Financial Institutions P. O. Box 41200 Olympia, Washington 98504-1200 360/902-8760
Wisconsin	Wisconsin Division of Corporate and Consumer Services Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 608/261-9555

EXHIBIT B
STATE LAW ADDENDUM

IN CERTAIN STATES FRANCHISEES ARE PROTECTED BY SPECIFIC LAWS. THESE STATE LAWS ARE REFERENCED AND SUMMARIZED IN THIS EXHIBIT. IF THE LAWS OF A PARTICULAR STATE GOVERN YOUR FRANCHISE, ITS STATUTES AND REGULATIONS AUTOMATICALLY APPLY TO YOUR FRANCHISE, AND AMEND BOTH YOUR AGREEMENTS WITH THE FRANCHISOR AND THIS DISCLOSURE DOCUMENT INCLUDING THE DOCUMENTS WHICH ARE ATTACHED AS EXHIBITS TO THIS DISCLOSURE DOCUMENT, INCLUDING ANY CONFIRMATION OF SALES PROCEDURES), UNLESS A PARTICULAR STATE LAW IS UNENFORCEABLE BECAUSE IT CONFLICTS WITH FEDERAL LAW AND IS PREEMPTED.

CALIFORNIA

Franchise Investment Law, CAL. CORP. CODE §§ 31000-31516.
Franchise Relations Act, CAL. BUS. & PROF. CODE §§ 20000-20043.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Cover Page Risk Factor

THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

Litigation Disclosure

a. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Termination and Nonrenewal

b. California Business and Professions Code 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Bankruptcy Disclosure

c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

Covenants Not to Compete

d. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Liquidated Damages

e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Arbitration

f. The franchise agreement requires binding arbitration. The arbitration will occur at Brevard County, Florida, with the costs to be borne by the losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Choice of Law and Forum

g. The franchise agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

Modification of Existing Franchise

h. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Waivers Releases

i. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchise to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

Financial Performance Representations

k. The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross

sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

Exemption for Internet Advertisement

l. The California Franchise Investment Law provides that internet advertisements may be exempt from the requirements of Corp. Code § 31156 for filing advertisements with the Commissioner, provided that the franchisor meets all of the requirements under Corp. Code § 310156.3.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Interest Rate

m. The California Franchise Investment Law provides that the highest interest rate permitted by law is 10%.

REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF PROTECTION AND INNOVATION.

HAWAII

Franchise Investment Law, HAW. REV. STAT. §§ 482E-1 to -12.
Franchise Rights and Prohibitions, HAW. REV. STAT. § 482E-6.

Cover Page Risk Factor

THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

Waivers and Releases

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

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

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

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

ILLINOIS

Illinois Franchise Disclosure Act (815 ILCS 705/1 et seq.)

Choice of Law and Forum

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, arbitration may occur outside of Illinois. 815 ILCS 705/4 (West 2014).

Waivers and Releases

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2014).

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

Termination and Nonrenewal

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act. 815 ILCS 705/19, 20 (West 2014).

INDIANA

Franchises, IND. CODE tit. 23, art. 2, ch. 2.5, §§ 1-51.
Deceptive Franchise Practices, IND. CODE tit. 23, art. 2, ch. 2.7, §§ 1-7.

Choice of Law and Forum

A franchise agreement requiring resolution of disputes in a forum other than Indiana is not enforceable. CODE § 23-2-2.7-1(10). Additionally, a franchise agreement requiring application of the laws of a jurisdiction other than Indiana is subject to any superseding provisions in Sections 23-2-2.5 and 23-2-2.7 of the Code. The risk factor statements on the Disclosure Document cover page indicating that disputes must be resolved in a state other than Indiana, and that the laws of a state other than Indiana apply, do not apply in Indiana.

Covenants Not To Compete

A franchisor cannot require a franchisee to covenant not to compete with the franchisor for more than three years after the termination or nonrenewal of a franchise, or in an area greater than the franchisee's exclusive area, or if the franchisee has no exclusive area, in more than a reasonable area. CODE § 23-2-2.7-1(9). Under Indiana law, a franchisee may not be liable for violations of covenants against competition by third parties.

Indemnification

To the extent required by Indiana law, a franchisee need not provide any indemnification for liability caused by the franchisee's proper reliance on or use of procedures or material provided by the franchisor or by the franchisor's negligence.

Periods of Limitation

Under Code § 23-2-2.5-30, an action must be brought within three years after the franchisee's discovery of the facts of a violation and, under Code § 23-2-2.7-7, within two years after the date of a violation.

Territories

A franchisor may not establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted to the franchisee by the franchise agreement; or, if no exclusive territory is designated, the franchisor may not compete unfairly with the franchisee within a reasonable area. CODE §§ 23-2-2.7-1(2) and 23-2-2.7-2(4).

Waivers and Releases

Code § 23-2-2.7-1(10) prohibits any limitation on litigation for breach of a franchise agreement, such as a reservation of rights to injunctive relief, liquidated damages or any

other limitation on damages or remedies. A franchisee may not be required to recognize irreparable harm. Indiana law prohibits requiring a franchisee to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to release any person from liability imposed by Indiana franchise laws.

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

MARYLAND

Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §§ 14-201 to -233.
Fair Distributorship Act, MD. CODE ANN., COM. LAW II §§ 11-1301 to -1307.

Choice of Law and Forum

Section 14-216(c)(25) of the Maryland Franchise Law requires a franchisor to file an irrevocable consent to be sued in Maryland. A franchisee may sue in Maryland for claims arising under that Law.

Periods of Limitation

Under Section 14-227(e) of the Maryland Franchise Law, a franchisee may bring a lawsuit in Maryland for claims arising under that Law for a period of three years after a franchise is granted.

Waivers and Releases

Section 14-226 of the Maryland Franchise Law and Section 02.02.08.16L of the Code of Maryland Regulations prohibit a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing, renewing or assigning a franchise. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure law. When prospective franchisees disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law when purchasing a franchise, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law. Any general release required as a condition of renewal, sale, transfer or assignment shall not apply to any liability under the Law.

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

MICHIGAN

Franchise Investment Law, MICH. COMP. LAWS §§ 445.1501 to .1546.

Arbitration

Any provision requiring that arbitration or litigation be conducted outside of Michigan is void and unenforceable. A franchisee may enter into an agreement, at the time of arbitration, to conduct arbitration at a location outside of Michigan. LAWS § 445.1527(f).

Covenants Not To Compete

LAWS §§ 445.771 *et seq.*

Franchisee Associations

Provisions prohibiting franchisees from joining franchisee associations are void and unenforceable. LAWS § 445.1527(27)(a).

Relationship Laws

Any provision allowing a franchisor to terminate a franchise prior to the expiration of its term except for good cause is void and unenforceable. Good cause includes the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice and a reasonable opportunity, which need not be more than 30 days, to cure the failure. LAWS § 445.1527(27)(c).

Any provision that allows a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings is void and unenforceable. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This provision of the law applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by an agreement from continuing to conduct substantially the same business under another trademark or name in the same area after the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the franchisor's intent not to renew the franchise. LAWS § 445.1527(27)(d).

Any provision allowing the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances is void and unenforceable. A renewal provision is not required. LAWS § 445.1527(27)(e).

Any provision that allows the franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause, is void and unenforceable. Good cause includes: (i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards, (ii) the fact that the proposed transferee is a competitor of the franchisor, (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations, and (iv) the failure of the franchisee or proposed transferee to

pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer. LAWS § 445.1527(27)(g).

Any provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor is void and unenforceable. The law does not prohibit provisions allowing a franchisor to exercise a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, or allowing a franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in Section 445.1527(27)(c) of the Law. LAWS § 445.1527(27)(h).

Any provision that permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee is void and unenforceable unless provision has been made for providing the required contractual services. LAWS § 445.1527(27)(i).

Waivers and Releases

A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the franchisee of rights under the Law is void and unenforceable, but the settlement of disputes is not prohibited. LAWS § 445.1527(27)(b).

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

MINNESOTA

Franchises, MINN. STAT. §§ 80C.01 to .30.

Choice of Law and Forum

Nothing in the franchise agreement shall in any way abrogate or reduce any rights of the franchisee as provided for in Chapter 80C of the Statutes. STATUTES § 80C.21 and MINN. R. 2860.4400J. A risk factor statement on the Disclosure Document cover page that a franchisee must litigate in a state other than Minnesota does not apply in Minnesota.

Liquidated Damages

Liquidated damage provisions are void. MINN. R. 2860.4400J.

Period of Limitation

An action for a violation of Chapter 80C of the Statutes may not be commenced more than three years after the cause of action accrues. STATUTES § 80C.17(5).

Relationship Laws

Except in certain specified cases, a franchisee must be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. STATUTES § 80C.14(3)-(5).

Any termination penalty provision is void. MINN. R. 2860.4400J.

Trademarks

The Commissioner has determined that it is unfair for the franchisor not to protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the name within the intent of Section 80C.12(1g) of the Minnesota Statutes.

Waivers and Releases

A franchisee cannot assent to a release, assignment, novation or waiver of liability imposed by Minnesota law, waive rights to a jury trial or to any procedure, forum, or remedies provided by the laws of Minnesota, or consent to the franchisor obtaining injunctive relief, but the voluntary settlement of disputes is not prohibited. STATUTES § 80C.21 and MINN. R. 2860.4400D and .4400J.

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

NEW YORK

Required by the Department of Law of the State of New York

Franchises, N.Y. GEN. BUS. LAW §§ 680-695.

The following information is added to the cover page of the Franchise Disclosure Document:

Cover Page

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT

USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Litigation

2. The following is added at the end of Item 3:

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Bankruptcy

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

Initial Fees

4. The following is added to the end of Item 5:

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

Renewal, Termination, Transfer and Dispute Resolutions

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

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

6. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

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

Waivers and Releases

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

NORTH DAKOTA

Franchise Investment Law, N.D. CENT. CODE §§ 51-19-01 to -17.

Arbitration

The Commissioner has determined that franchise agreements which provide that the parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business are unfair, unjust or inequitable within the intent of Section 51-19-09(i) of the Law.

Choice of Law and Forum

The Commissioner has determined that franchise agreements which provide that the parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business, or which require franchisees to consent to the jurisdiction of courts outside of North Dakota, or which specify that the parties are to be governed by the laws of a state other than North Dakota, are unfair, unjust or inequitable within the intent of Section 51-19-09(i) of the Law.

Covenants Not To Compete

N.D. CENT. CODE § 9-08-06. Covenants not to compete may not be enforceable in North Dakota. The Commissioner has determined that covenants restricting competition contrary to Section 9-08-06 of the Law, without further disclosing that such covenants may be subject to this Law, are unfair, unjust, or inequitable within the intent of the Section 51-19-09(i) of the Law.

Liquidated Damages

The Commissioner has determined that liquidated damages provisions are unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Termination

The Commissioner has determined that provisions consenting to termination are unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Periods of Limitation

The Commissioner has determined that requiring a franchise to consent to limit its claims to those that are brought within a certain time frame is unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Waivers and Releases

The Commissioner has determined that requiring a franchisee to consent to a waiver of trial by jury, or to consent to a waiver of exemplary and/or punitive damages, is unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor,

franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND

Franchise Investment Act, R.I. GEN. LAWS §§ 19-28.1-1 to 19-28.1-34.

Choice of Law and Forum

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act. LAWS § 19-28.1-14.

Waivers and Releases

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

SOUTH DAKOTA

Franchise Investment, S.D. CODIFIED LAWS §§ 37-5B-1 to -53.

Arbitration

A written provision in a franchise contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract or transaction, or the refusal to perform the whole or any part thereof, or an agreement in writing to submit to arbitration an existing controversy arising out of the contract, transaction, or refusal, is valid, irrevocable, and enforceable except upon such grounds as exist at law or in equity for the revocation of any contract. However, any condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or a rule or order under this chapter is void. S.D. CODIFIED LAWS § 53-5B-21.

Liquidated Damages

Liquidated damage provisions are void. S.D. CODIFIED LAWS § 53-9-5.

Waivers and Releases

No person may, directly or indirectly, in connection with the offer or sale of a franchise disclaim or require a prospective franchisee to waive reliance on any representation made in the disclosure document or in its exhibits or amendments. However, this provision is not intended to prevent a prospective franchisee from voluntarily waiving specific contractual terms and conditions set forth in his or her disclosure document during the course of franchise sale negotiations S.D. CODIFIED LAWS § 53-5B-26(8).

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

VIRGINIA

Retail Franchising Act, VA. CODE ANN. §§ 13.1-557 to -574.

Relationship Laws

Any “cross-default” provision in a franchise agreement in which a default by a franchisee on one agreement will cause a default in any other agreements with the franchisor is not enforceable when applied to a franchisee in Virginia because Virginia law prohibits any provision that allows a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision in the franchise. § 13.1-564.

Waivers and Releases

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

WASHINGTON

Washington Franchise Investment Protection Act, Chapter 19.100 RCW

Relationship Laws

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Arbitration

There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in

connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

Waivers and Releases

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

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

Periods of Limitation

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer Fees

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Covenants Not To Compete

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

Non-Solicitation/No Poaching Provisions

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Deferral of Initial Franchise Fees

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

WISCONSIN

Franchise Investment Law, WIS. STAT. §§ 553.01 to .78.
Fair Dealership Law, WIS. STAT. §§ 135.01 to .07.

Relationship Laws

To the extent any provisions of the franchise agreement regarding notice of termination or a change in the franchise agreement conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law will apply.

Waivers and Releases

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties have signed this State Law Addendum as of this ____ day of _____, 20____.

FRANCHISEE
[use for a corporation, partnership, limited liability company, trust, or other form of entity]:

(Full Legal Name of Entity)

By: _____
(Signature)

(Type or Print Name)

Its: _____
(Title)

FRANCHISEE
[use for a sole proprietorship or ownership by multiple individuals]:

(Signature)

(Type or Print Name)

(Signature)

(Type or Print Name)

FRANCHISOR:

By: _____
(Signature)

(Type or Print Name)

Its: _____



COASTAL ANGLER MAGAZINE FRANCHISING, INC.

DBA

COASTAL ANGLER MAGAZINE

FRANCHISE AGREEMENT

EXHIBIT C

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EXHIBITS

- 1 TERRITORY DESCRIPTION
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PARTIES

To simplify the language of this Agreement “we”, “us”, “our”, “Coastal Angler Magazine” or “Coastal Angler Magazine” means Coastal Angler Magazine Franchising, Inc., the “Franchisor”. “You” means the person, corporation, partnership or other entity who is buying the franchise; the Franchisee. If a corporation, partnership or other entity is the Franchisee, "You" includes the Franchisee's owners.

This Franchise Agreement is entered into between Coastal Angler Magazine Franchising, Inc., a Florida corporation, whose principal address is 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931 and you, the Franchisee as designated below;

- A. If you are an individual _____ with his or her current residence at _____
- B. If the Franchisee is a partnership, _____ whose partners names and addresses are _____

_____ with its principal place of business located at _____
_____ and which partnership agreement is attached, certified by a partner as being a true and complete copy of the partnership agreement; or
- C. If the Franchisee is a limited liability company, _____ a limited liability company organized under the laws of the State of _____, and duly qualified to do business in the State of _____ which limited liability company has its principal place of business located at _____
_____ and which has attached its Certificate of Organization/ Articles of Organization, Certificate of Good Standing, Certificate of Qualification to do business within the State of _____ if applicable, and its Resolution authorizing the limited liability company to enter into this Franchise Agreement.
- D. If the Franchisee is a corporation, _____ a corporation organized under the laws of the State of _____, and duly qualified to do business in the State of _____ which corporation has its principal place of business located at _____

and which has attached its Certificate of Incorporation, Certificate of Good Standing, Certificate of Qualification to do business within the State of _____ if applicable, and its Corporate Resolution authorizing the Corporation to enter into this Franchise Agreement.

FRANCHISE SYSTEM

Coastal Angler Magazine owns a proprietary system for opening and operating a business that requires the franchisee to produce a monthly print and digital publication through a uniform system which has high standards of service and operates under the business format created and developed by Coastal Angler Magazine and which is known as the Coastal Angler Franchise System (the "System"). This system may expand into other media in the future. Coastal Angler Magazine retains the right to the expansion of the system into other media.

The distinguishing characteristics of the System include the trade name "Coastal Angler Magazine" and "The Angler Magazine," workable and functional designs, confidential operating procedures, advertising sales, promotional programs, standards and specifications for services and management and marketing programs. All of these distinguishing characteristics may be changed, improved, and further developed by Coastal Angler Magazine. They are known as "Trade Secrets" and are designated by and identified with the marks described in this Agreement.

Coastal Angler Magazine identifies Coastal Angler Magazine by means of certain trade names, service marks, logos, emblems, and indicia of origin, including the trademark "Coastal Angler Magazine" and other trade names and service marks which are now, or may be in the future, designated by Coastal Angler Magazine in writing for use in connection with the System (the "Marks").

Coastal Angler Magazine continues to use, develop and control the use of the Marks in order to identify for the public the source of services and products marketed under the System, and which represent the System's high standards of quality, cleanliness, appearance and service.

You recognize the benefits to be derived from being identified with the System. You also recognize the value of the Marks and the continued uniformity of image to you, Coastal Angler Magazine, and other franchisees of Coastal Angler Magazine. You understand the importance to the System of Coastal Angler Magazine's high standards of quality, circulation procedures, advertising sales system, promotional projects, and industry affiliations and further recognize the necessity of opening and operating your Coastal Angler Magazine in connection with the System or Trademarks (the "Business").

You recognize that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on you, including strict adherence to Coastal Angler Magazine's reasonable present and future requirements regarding the types of services and products offered, advertising, operational techniques, and related matters. You wish to be assisted, trained, and franchised to operate a Business pursuant to the provisions and at the location within the territory specified in this Agreement. You have also had an adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by counsel of your own choosing.

THEREFORE, you and Coastal Angler Magazine, intending to be legally bound and in consideration of mutual agreements, covenants and promises contained in this Agreement, agree as follows:

SECTION 1 GRANT OF LICENSE

- 1.1 Subject to the limitations contained in this Agreement Coastal Angler Magazine grants to you, during the License Term and any extensions, the right and license (the "License") to:
 - A. Operate a Business upon the terms and conditions of this Agreement, in the geographic area or territory described in Exhibit 1 ("Territory");
 - B. Use the Marks in connection with the operation of the Business; and
 - C. Offer and market Coastal Angler Magazine's approved advertising formats, services and products.
- 1.2 During the License Term and any extensions Coastal Angler Magazine will not use or license others to use any of the Marks licensed to you in connection with the operation of any other Business within your Territory described in Exhibit 1.
- 1.3 It is your responsibility to propose a territory to Coastal Angler Magazine for evaluation but Coastal Angler Magazine assists in the selection by considering population density, traffic patterns, and the proximity of the proposed territory to other Coastal Angler Magazine locations or any other reasonable criteria. Coastal Angler Magazine must approve or disapprove your proposed Territory within 30 days after we receive notice from you. A Territory selection and approval must be made prior to the granting of a Coastal Angler Magazine franchise. We will designate your Territory prior to executing this Franchise Agreement.

SECTION 2 LICENSE TERM AND EXTENSION PERIODS

- 2.1 This Agreement and the License granted will continue for a period of 10 years ("License Term"). This 10-year period, will begin on the date this Agreement is executed by Coastal Angler Magazine and is subject to prior termination in accordance with the provisions of this Agreement. When the original 10-year period expires and the end of each renewal period, you will have the option to renew your Franchise License for successive periods of 10 years each, subject to the terms and provisions of this Agreement. Notwithstanding anything contained herein to the contrary, Coastal Angler Magazine may refuse to renew this Agreement and License if you have:
 - A. Breached this Agreement and failed to remedy any breach of this Agreement specified by Coastal Angler Magazine in a written notice to you; or,
 - B. Has committed 2 or more breaches of this Agreement of a substantial nature during the preceding 12 months prior to renewal.
 - C. Are not current in your payment obligations to Coastal Angler Magazine and our subsidiaries and affiliates and to all of your trade creditors.

You must execute a new Franchise Agreement and all other legal agreements in the form then being used by Coastal Angler Magazine in granting new franchises. These agreements may include, without limitation, higher Royalty Fees and Advertising Fees. There will not be, however, another Initial Franchise Fee charged in the renewal of the Franchise Agreement. Your failure to execute these renewal agreements within 30 days after their delivery to you will be deemed an election by you not to renew the Coastal Angler Magazine Franchise.

As additional conditions to renewal, you must:

- A. Subject to applicable state law, execute a general release of all claims you may have against Coastal Angler Magazine, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities. This release will include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement and will be in a form satisfactory to Coastal Angler Magazine, a sample of which is attached as Exhibit 5 to this Agreement; and,
- B. Make capital expenditures as may be reasonably required to modernize your Business and your equipment so as to reflect the then-current image of the company. The renewal fee is \$2,500 payable to Coastal Angler Magazine 30 days prior to the renewal date of Franchise Agreement.

SECTION 3 INITIAL FRANCHISE FEE

3.1 The initial franchise fee is \$25,000 for an exclusive territory with a population range of up to five hundred thousand. The estimated initial investment ranges from \$28,975 to \$34,600. We do not guarantee that you will not have greater start-up expenses, will not need more operating funds or guarantee earnings. The Initial Franchise Fee is fully earned upon payment, and is not refundable. This fee goes into our general operating fund and is used to defray our costs of recruiting and qualifying new Franchises, fulfilling our pre-opening obligations to new franchisees as well as other operating expenses associated with our business.

3.2 The Initial Franchise Fee is non-refundable once you have paid your Initial Franchise Fee.

SECTION 4 CONTINUING ROYALTIES AND OTHER FEES

4.1 Royalty Fee. A Royalty Fee of 8% of Gross Revenues for local advertising is due on the 15th of each month at the corporate office for the previous month. For example, March Gross Revenues are due by April 15th. Gross Revenues are defined in Section 6. If any governmental taxing authority imposes a tax (other than an income tax) on us upon or against the Royalties payable under this Agreement, you shall pay these taxes together with the Royalty Fee payment to us.

- 4.2 Print Bills. There are no sales quotas, however, Coastal Angler Magazine requires a mandatory printing and distribution of a minimum of 10,000 copies of your Coastal Angler Magazine publication at its then current price. Currently, the price is \$1,905.20 FOB. An invoice for printing will be issued to you on the day before upload and is currently due upon receipt, by 5:00 p.m. EST the day the local magazine is uploaded. Payment in full is required prior to printing and shipping. Coastal Angler Magazine reserves the right to vary the price and payment terms in the future. As Coastal Angler Magazine must immediately pay the third party printer, you must pay Coastal Angler Magazine promptly.
- 4.3 National, Regional, and Digital Advertising Gross Revenues. If you have any Gross Revenues from your sales of national and regional advertisements that will be placed in the national section, regional section, or on digital advertising, then you will pay Coastal Angler Magazine one-half (50%) of those Gross Revenues. The invoices for the national, regional, and digital advertisements will be billed to you in accordance with the policies in our Manuals. Currently, you will be billed on the last or 2nd to last day of the month in order for you to bill your customers immediately. Invoices will be due upon receipt. We strongly recommend that you collect the amounts due at the time that you distribute the magazine and then that you pay us directly from the amounts collected. You must pay your amount due to us regardless of whether or not you collect from the customer that placed the advertising. Amounts that are not paid on time will be charged a 1% late fee at the time frames specified in our Manuals and as further described below.
- 4.4 Graphics Charges. Coastal Angler Magazine may provide an optional graphic and design service for speculative or contracted advertising submitted by you and other franchisees. Coastal Angler Magazine reserves the right to cancel this service at its discretion. You will pay the then current hourly fees. This amount is invoiced by the 1st of the month and due at our corporate location within 10 days from the date of the invoice for any charges incurred in that month. If you have graphic invoices that are unpaid past the due date, Coastal Angler Magazine reserves the right to refuse to provide any graphic services until the due graphic invoices are paid in full, including any late fees assessed. A 1% late fee may also be charged as specified in our Manuals and as described below.
- 4.5 Website and Social Media Accounts. We will assign you a website page for your location and may assign other social media accounts to you as further described in this Agreement. You must keep any social media dedicated account updated and current. If you fail to do you, we may charge you our then-current management fee to manage your accounts.
- 4.6 Personal Guaranty. If you are a corporation, or a limited partnership whose general partner is a corporation, a limited liability company or any other form of legal entity, all applicable partners, officers, directors, managing members and individuals with a 10% or greater ownership interest of the entity (the "Guarantor(s)") shall approve this Agreement, furnish any personal financial information reasonably requested by us, and sign a personal guaranty of your payments and performance obligations under this Agreement and any agreement signed upon renewal, in form and substance substantially in the form of the attached Exhibit 2 (the "Guaranty"). Individuals who subsequently acquire or otherwise

succeed to such a position or interest shall also be required to sign a Guaranty. If required by law for any Guaranty to be enforceable, spouses must also sign the Guaranties.

- 4.7 Invoices. All invoices for amounts due to Coastal Angler Magazine will be sent to you through email. The invoice date will be as stated in the Manuals but will typically be the either the date of the email or the day before the email is sent. You are responsible for checking your email daily to receive such invoices and particularly on the days when an invoice is expected. Failure to open an email with an invoice will not excuse payment by the due date or delay the payment due date. Failure to pay any invoice by its due date will result in a 1% late fee as stated in our Manuals. See Section 4.7 below. These late fees will be added to your invoice and are due by the due date stated on the applicable invoice. Your failure to pay any amounts due to us will be a default in your Franchise Agreement and grounds for termination of your franchise.
- 4.8 Good Standing. If you are in “Good Standing” then we may waive our right to immediately impose a late fee if you do not pay your invoiced amount upon its due date and we may permit you to pay the amounts due to us upon extended day terms from the date of the original invoice. These terms are as stated in our Manuals but we reserve the right to modify these payment terms by changes in our Manuals. Currently, a 1% late charge will be added to any royalty invoice if it is not received within 30 days of its invoice date and an additional 1% will be added each month that royalties are not paid. For amounts due for national, regional, and digital advertising royalty fees a 1% late fee will be added to any balances not paid after 45 days from invoice date and an additional 1% will be added at 75 days from the original invoice date. We may also shorten or eliminate your delayed payment terms if you are not in Good Standing with us. We will notify you when you are no longer in Good Standing and you must then pay the amounts owed by the due dates and cure any violations to our satisfaction. Failure to pay the amounts due by the required due date or to cure any violations excuses our obligation to include any advertising you have sold or any local materials you have provided to us in the next magazine(s) until your account is in Good Standing. Coastal Angler Magazine is also not liable for any damages you may have for not including paid advertising or local materials in the magazine if you fail to be in Good Standing. “Good Standing” means you have paid all invoices by our terms, you not in violation of any procedure in this Agreement or our Manuals for which you have received notice, you are not default under this Agreement or any other agreement with us or any affiliate of ours, or any agreement with any other third party pertaining to the Business, and no event shall have occurred and be continuing which, with notice or the passage of time or both, would constitute such a default.

SECTION 5 ADVERTISING AND PROMOTION

- 5.1 All advertising, as further described in Section 5.4 below, of Coastal Angler Magazine must receive prior approval from Coastal Angler Magazine.
- 5.2 Coastal Angler Magazine will make available to you all advertising and promotion material for the Business, which are used by Coastal Angler Magazine, its affiliates, and other franchisees. You will receive one sample of each type of advertising and promotion

material at no charge. If you want additional copies, you must pay the duplication or other costs involved. You will have access to an online Media Kit and Sales Promotion Manual. You may also develop advertising materials for your own use, at your own cost, subject to our written approval. Coastal Angler Magazine must approve or disapprove your advertising materials in writing within 15 days. If Coastal Angler Magazine takes no action, you may use the advertising materials submitted. We reserve the right to contact all your advertisers regarding your service fulfillment and quality.

5.3 In the future, national, regional, digital, or statewide advertising pools (“Advertising Pool”) may be established. You must participate in an Advertising Pool if and when it is established.

- A. The Advertising Pool will be formed as a separate and autonomous franchisee organization. It will be formed only by the consent and vote of a majority of our franchisees.
- B. Coastal Angler Magazine will make available to the Advertising Pool all advertising and promotional material. The Advertising Pool will receive one sample of each type of advertising and promotional material at no charge. If the National Advertising Pool wants additional copies it must pay duplication costs.
- C. All payments to the Advertising Pool must be spent on advertising, promotion and marketing of goods and services provided by Coastal Angler Magazine. An annual audited financial statement of the Advertising Pool, at the expense of the Advertising Pool, will be available to you upon request.
- D. Coastal Angler Magazine reserves the right to suspend, defer or rebate the collection of fees for or the facilitation and operation of the National Advertising Pool.

5.4 All advertising for your franchised business, including but not limited to phone listings, print media, social media, newspaper, direct mail, magazines, flyers, electronic media, radio, television, cable television, trade show displays, billboards, truck and vehicle signs, etc., must go through the Coastal Angler Magazine approval process prior to use. We will notify you within 15 days of receiving your advertising of any advertising that has been rejected. Our failure to respond is deemed to be our approval. Submission of the franchisee’s monthly revenue report prior to uploading the report will also be construed as our approval. If you advertise your Coastal Angler Magazine franchise using unauthorized advertising, Coastal Angler Magazine shall have the right to terminate this Agreement, upon notice, without an opportunity to cure. Any advertising that you sell as part of your franchised business for placement in the Coastal Angler Magazine is done on a space availability format basis by our production department and is subject to review. Coastal Angler Magazine reserves the right to reject any advertising, in its sole discretion, that is deemed to be inappropriate or in opposition to the standards or integrity of the Mark.

Coastal Angler Magazine will notify you within 5 business days of any advertising you sold that has been rejected.

- 5.5 Local Advertising. The amount of money that you will spend on local advertising is at your discretion. All local advertising must be approved by us prior to use. Any invoices for local advertising are subject to the same payment procedures and other provisions as is stated in Section 4.
- 5.6 We have the right to control all use of URL's domain names, websites, addresses, metatags, links, email address and other means of electronic identification or origin ("e-names") related to the franchised business and system. We also have the right to designate, approve, control or limit all aspects of Franchisees' use of the Internet, Intranet, World Wide Web, wireless technology, digital cable, use of e-names, email, websites, home pages, bulletin boards, chat rooms, email, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "e-commerce"). Accordingly, you may not establish an internet web site, blog, bulletin board, chat room, barter exchange, home page, marketplace, Facebook page, Twitter account or any other electronic media form (collectively, "web-site") advertising the franchise business, or use our name or Marks, or any of its derivatives, in a website, in a web address, in a uniform resource locator or in any manner on the internet such as but not limited to, meta-tags, key words, linking or framing. We will maintain all web pages. However, your territory will have a link on the Coastal Angler Magazine website to a dedicated we page on our site. You will be responsible for developing your territory's web page. You are required to keep your webpage updated and current. We may also assign you a social media account such as a dedicated Facebook page, but we will need to maintain administrative control and access for brand protection. You must keep any social media dedicated account updated and current. If you fail to do so, we may charge you our then-current management fee. We may assist you in the development of your web page or other social media, and we reserve the right to approve or disapprove of any form or content within the make-up of your web page or other social media accounts. We may suggest that you include optional material from third party vendors, such as an online magazine, at the vendor's then current prices. You agree that we own all right, title and interest in and to, any and all websites and e-names we commission or utilize or require or permit you to utilize in connection with the System or which bear the our Marks or any derivative of the our Marks. You must use the email addresses we provide in accordance with our policies and Manual. If we identify any email address that you use for the franchise business that is not in accordance with our policy, you agree to revise any email addresses within 15 days' notice to comply with our policy. You recognize and agree that we also own all rights and interest in any data collected via e-commerce related to the System, including any customer data, click-stream data, cookies, user data and hits and that such information is also included in our Trade Secrets.

SECTION 6 GROSS REVENUES

- 6.1 For purposes of this Agreement, Gross Revenues include the total of all receipts derived from advertising sales, show promotions, services, advertising trades, endorsements and products sold in connection with the System or Marks, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons (see Subsection 6.2 B), services, property or other means of exchange.
- 6.2 Gross Revenues does not include:
- A. Sales taxes or other taxes measured on the basis of the gross revenues of the Business imposed by governmental authorities directly on sales and collected from customers, provided the taxes are added to the selling price and are in fact paid by you to the appropriate governmental authorities;
 - B. Promotional or discount coupons to the extent that you realize no revenue with the exception of trades. Cash refunded and credit given to customers, and uncollectible customer receivables, will be deducted in computing Gross Revenues only to the extent that it was previously included in Gross Revenues on which a Royalty Fee was paid; or
 - C. Revenue from advertising you sell for placement in the regional and national section of the Coastal Angler Magazine, which is subject to a separate fee structure.

SECTION 7 RECORDS AND AUDITS - LATE PAYMENT CHARGE

- 7.1 You must prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Business conducted under this Agreement. You must maintain an accounting system that accurately reflects all operational aspects of the Business including uniform reports as may be required by Coastal Angler Magazine. Your records must include tax returns, daily reports, employee wage statements, statements of Gross Revenues (to be prepared each month for the preceding month), and profit and loss statements and balance sheets (to be prepared at least annually by an independent Certified Public Accountant). You must also submit to Coastal Angler Magazine current financial statements and other reports as Coastal Angler Magazine may reasonably request to evaluate or compile research data on any operational aspect of the Business. **You must also make your sales records and files available to Coastal Angler Magazine by way of PC Anywhere or an Internet connection upon our request.** All financial data with respect to your Business that is required will be for Coastal Angler Magazine's own use, will be kept confidential and will not be made available to other franchisees, prospective franchisees, or other third parties except to the extent that Coastal Angler Magazine decides, or is required to, make an "earnings claim" under the franchise disclosure laws. The records required under this Subsection pertain only to your operation of the Business. Coastal Angler Magazine has no right to inspect, audit or copy the records of any unrelated business activity you may have.

- 7.2 From the date you and Coastal Angler Magazine sign this Agreement until 3 years after the end of the term of this Agreement, including renewals, Coastal Angler Magazine or our authorized agent have the right to request, receive, inspect and audit any of the records referred to above, wherever they may be located. Any inspections or audits shall be conducted at reasonable times. You must keep all records and reports for six years from the date they originated. Should any inspection or audit disclose a deficiency in the payment of any Royalty, or other amounts required to be paid under this Agreement, you will immediately pay the deficiency to Coastal Angler Magazine, without prejudice or any other remedy of Coastal Angler Magazine under this Agreement. You will also pay 10% interest on any deficiency. In addition, if the deficiency for any audit period equals or exceeds 2% of the correct amount of any Royalty Fee, Advertising Fee or other amounts due, you will also immediately pay to Coastal Angler Magazine the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel, plus 10% interest on the understatement. For purposes of this Subsection, an audit period will be each fiscal year. Should the audit disclose an overpayment of any Royalty Fee, Advertising Fees or other amounts due, Coastal Angler Magazine will promptly pay the amount of the overpayment to you, provided that the amount exceeds \$100.00.
- 7.3 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, you must also pay us, upon demand, a late payment charge equal to 1% per month, on all payments due to Coastal Angler Magazine during the period of time said payments are due and unpaid but not more than the highest rate permitted by law. The late payment charge will be added each month that a payment remains unpaid. Coastal Angler Magazine may elect to impose the 1% late payment charge at a later payment period, such as 30 days after the payment is due, as stated in its Manual, but reserves the right to impose the late payment charge immediately if the payment is not received on its due date upon notice to you. Each failure to pay Royalty Fees, Advertising Fees, printing invoices, graphic invoices and other amounts payable to Coastal Angler Magazine when due is a material breach of this Agreement.

SECTION 8 OBLIGATIONS OF THE FRANCHISOR

- 8.1 The Initial Franchise Fee and Royalty Fees are paid for the License, which includes the use of the Marks and certain services rendered by Coastal Angler Magazine.
- 8.2 Coastal Angler Magazine will offer you such initial and continuing services as Coastal Angler Magazine deems necessary or advisable in furthering your franchised Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Coastal Angler Magazine. Failure of Coastal Angler Magazine to provide any particular service, either initial or continuing, will not excuse you from paying the Initial Franchise Fee or the continuing Royalty Fees.

8.3 Currently, initial and continuing services provided by Coastal Angler Magazine are:

- A. Providing you or your designated manager and one of your employees with an initial training program. You or your designated manager must attend and satisfactorily complete the initial training program prior to opening the franchised Business. The initial training program will be conducted prior to the opening of your Business. If you wish more than two people to attend the initial training program then you must pay the then-current additional fee which is due two weeks prior to the beginning of the initial training program.

You will be responsible for personal traveling and living expenses incurred by yourself or your manager and any of your employees that participate in the training program.

The initial training program will be held at our corporate headquarters, Your worksite or remotely and will be conducted over a two day period. You must satisfactorily complete initial training within 60 days of signing the Franchise Agreement. Training will consist of a discussion of the System, techniques, procedures, and methods of operation, hiring employees, customer service, advertising sales, accounting, support procedures and instructions on quality standards and practical experience in the operation of a Coastal Angler Magazine Business.

- B. Assistance with respect to pre-opening and opening activities, as reasonably determined by Coastal Angler Magazine prior to and including the first week of operation of your Business. If you wish Coastal Angler Magazine to provide assistance outside of the support described in this Section, then you will pay then-current additional fee per person per day as well as pay their travel expenses, within 30 days after the billing date.
- C. Formulation of advertising and promotional programs as further stipulated in Section 5.
- D. At our discretion, we may provide visits by our field representative.
- E. Research the possibility of developing new services, promotions, products, programs and methods of business operation and provide you with information regarding the developments.

SECTION 9 MAINTENANCE AND UPGRADING OF BUSINESS

9.1 Subject to the terms of this Section and particularly Subsection 9.2, you must at all times comply with all of Coastal Angler Magazine's standards, specifications, processes, procedures, requirements and instructions regarding the Business.

- 9.2 You must upgrade the Business at your cost in accordance with Coastal Angler Magazine's reasonable standards and at our request at any renewal of this Agreement. You must also pay the cost of any alterations necessary for required services or products that Coastal Angler Magazine requires you to market pursuant to Subsection 11.5. **AN ADDITIONAL INVESTMENT MAY BE REQUIRED UNDER THIS SUBSECTION.**

SECTION 10 CONFIDENTIAL OPERATIONS MANUAL

- 10.1 We shall loan you one copy of the Manual upon your successful completion of your initial training. You will acknowledge receipt of a copy of the Manual. The Manual will at all times remain the sole property of Coastal Angler Magazine. You must immediately return the Manual to Coastal Angler Magazine at the expiration or sooner termination of this Agreement. If you lose the Manual, then you must pay the current replacement cost.
- 10.2 You must at all times treat the contents of the Manual as confidential and must not copy or otherwise reproduce, in whole or in part or in any way make the contents of the Manual available to any person other than those persons employed by you to whom disclosure is necessary to enable you to operate the Business under the terms of this Agreement.
- 10.3 Coastal Angler Magazine may revise the Manual from time to time. Coastal Angler Magazine may provide the Manual or any updates or revisions in an electronic form.
- 10.4 You must operate the Business in accordance with the Manual and assure strict compliance with the standards, specifications, requirements and instructions presently set forth in the Manual and any subsequent amendments and supplements. Failure to comply with the standards set forth in the Manual will constitute a material breach of this Agreement.

SECTION 11 OBLIGATIONS OF FRANCHISEE

- 11.1 You must, consistent with the terms of this Agreement, diligently develop the business of the Business and use your best efforts to market and promote the required services and products.
- 11.2 Subject to the terms of this Agreement, including Subsections 9.2 and 10.4, during the License Term, you must strictly comply with all present and future standards, specifications, processes, procedures, requirements, and instructions of Coastal Angler Magazine regarding the operation of the Business and you must comply with the following requirements:
- A. You, or a fully trained and qualified operating manager, must devote full time to the management and operation of the Business. These duties will include, but not be limited to the following: advertising sales, editorial content, distribution, customer service training and implementation, HR/Payroll, and keeping current on your weekly and or monthly reports, Advertising Fees and Royalty Fees. You may not operate on a part-time basis.

- B. You or your manager and certain key employees at the Business must attend and complete all training programs and conferences at locations as Coastal Angler Magazine may reasonably require, and you will pay all salary and other expenses of persons attending. Coastal Angler Magazine will charge a fee to cover its direct costs for the conference. Coastal Angler Magazine will provide you or your operating manager and up to one employee with an initial training program. Attendance at all training programs by you or your operating manager (if any) is compulsory and must be satisfactorily completed prior to the opening of your Business. Attendance at all annual conventions is also mandatory.
- C. Any additional required service or product introduced into the System by Coastal Angler Magazine must be offered for sale on a continuing basis at the Business at the time and in the manner required by Coastal Angler Magazine.
- D. No services and products, except approved services or products, may be offered for sale by the Business.
- E. Only signs, advertising and promotional material, services, equipment, supplies, uniforms, and furnishings that meet Coastal Angler Magazine standards and specifications will be used by the Business.
- F. All equipment, signs, products, supplies and other items necessary to add new required services or products must be acquired, installed and utilized, and the marketing of new services and products must begin by the Business as reasonably required by Coastal Angler Magazine.
- G. Equipment, signs, services, products, supplies and other items must be added, eliminated, substituted and modified by the Business as soon as practicable in accordance with changes in Coastal Angler Magazine's specifications and requirements.
- H. All equipment utilized by the Business must be maintained in first-class condition and must be kept clean and neat. The Business must be operated in a manner consistent with Coastal Angler Magazine's requirements. All employees must be clean and neat in appearance and dress in accordance with the requirements of the Manual, if any.
- I. You are required to open your Business one to three months after you sign our Franchise Agreement. The factors that affect this time are the ability to obtain financing or permits, zoning licensing and local ordinances. If you do not make reasonable efforts to open your location by the end of three months, we reserve the right to terminate your Franchise Agreement and to retain all monies received.

- J. There is no minimum sales quota. However, you must print and distribute a minimum of 10,000 copies of Coastal Angler Magazine within your territory each month in order to maintain your franchise rights. You may not advertise or solicit orders outside of your exclusive territory. You will maintain rights to your area even though the population increases. We may offer other non-fishing magazines franchises and may distribute non-fishing magazines in your territory. You do not receive the right to acquire additional fishing magazine or non-fishing magazine franchise territories by signing a Franchise Agreement. Each Franchise Agreement is a separate and distinct transaction between you and Coastal Angler Magazine, or between our affiliate that we may offer non-fishing magazine franchises.
- K. No alterations materially affecting the image of the Business may be made except at Coastal Angler Magazine's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by Coastal Angler Magazine.
- L. The Business and its business must comply with all applicable laws, ordinances, rules, regulations and other requirements. You acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of the System. Accordingly, you agree that you will cause the franchise business to meet all applicable security standards developed by the Payment Card Industry Standards Council or its successor, the standards set by applicable privacy laws, regulations and state and federal governmental agencies, and other regulations and industry standards applicable for the protection of customer privacy and credit card information. You are solely responsible for educating yourself as to any applicable laws, ordinances, rules regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee and its owners specifically agree to comply with any state required employment verification programs and any federal employment verification programs such as E-Verify.
- M. Advertising materials, which are provided by Coastal Angler Magazine for use by you, may be used only in the manner and during the period specified by Coastal Angler Magazine.
- N. The Business must be open for business every business day during regularly scheduled business hours or other hours reasonably approved by Coastal Angler Magazine, except generally recognized national or religious holidays and days the Business is closed for repairs. A later time as may be permitted and an earlier time may be required by applicable licensing laws and local conditions.

- O. The employees, the equipment and supplies and other items on hand by the Business, must be at all times sufficient to efficiently meet the anticipated volume of business.
- P. All debts and taxes arising in connection with the Business and its business, except those duly contested in a bona fide dispute, must be paid, when due, including debts payable to Coastal Angler Magazine and our affiliates.
- Q. All necessary and appropriate measures must be taken to avoid an unsatisfactory or equivalent safety, sanitation or health rating at any time from any governmental agency or authority, that conditions or practices disapproved by any such agency or authority must be promptly corrected, except that, with Coastal Angler Magazine's prior approval, you may contest the action as being arbitrary, capricious, unfair and unwise.
- R. All dealings with customers and suppliers must be fair and honest.
- S. You must use your best efforts to recruit new customers through advertising, marketing, and business networking.
- T. You must keep up to date on competitors pricing in sales and service and changing and revising pricing and specials.
- U. You must provide the sales training and customer service training that you receive to your employees.

11.3 In prescribing standards, specifications, processes, procedures, requirements or instructions under Subsection 11.2 or any other provision of this Agreement, Coastal Angler Magazine will consider and assist you, upon your reasonable request, in local market research and provide guidance in determining the prices charged by you for services or products of any kind. However, Coastal Angler Magazine will not have control over the day-to-day managerial operations of the Business and you are free to establish your own prices for advertising in the local section of Coastal Angler Magazine. Coastal Angler Magazine will establish the prices of advertising in the national or regional sections and on any website advertising.

11.4 Coastal Angler Magazine and our representatives will have the right, during business hours, to inspect your equipment and business facilities and all spaces used for service or storage, sale and transportation of any approved products or services. Coastal Angler Magazine and our representatives will have the right to discuss with you or other people you may designate all matters that may pertain to compliance with this Agreement and with Coastal Angler Magazine's standards, specifications, requirements, instructions and procedures. Coastal Angler Magazine and our representatives will have the right to have any of Coastal Angler Magazine's required services rendered by any employee of your Business. You must cooperate in all respects with Coastal Angler Magazine's rights under

this Subsection, provided that our exercise of these rights will not unreasonably interfere with running of your business.

- 11.5 On advance notice of at least 30 days, Coastal Angler Magazine may specify a new service or product as a required service or product.
- 11.6 During the License Term and for three years after the expiration and termination of this Agreement, you will provide Coastal Angler Magazine with your contact address and telephone number, which Coastal Angler Magazine may include in its Franchise Disclosure Document.
- 11.7 If you are an individual, you or a manager trained in the Coastal Angler Magazine system, must directly supervise the franchised Business. If you are a corporation, or if you have, in Coastal Angler Magazine's sole judgment, insufficient experience in a business similar to the Coastal Angler Magazine Business or insufficient experience in business management in general, then you must nominate an operating partner or manager having the required experience who will have direct responsibility for all operations of the Business. Any change in the operating partner or manager will be subject to the approval of Coastal Angler Magazine. The operating partner or manager will be the correspondent referred to in Subsection 20.9.
- 11.8 You must acquire, maintain, and upgrade computer information processing and communication systems, including all applicable software, and Internet and other network access providers, and Web site vendors, as prescribed in the Manual. Currently, Coastal Angler Magazine assigns you a freelance graphic artist who is required to have the required computer system installed at their expense. You will pay your graphic artist directly for your local edition. You must comply with any separate software or other license agreement that Coastal Angler Magazine or its designee uses in connection with providing these services.
- 11.9 You acknowledge and understand that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Coastal Angler Magazine has taken reasonable steps so that these problems will not materially affect the System. Coastal Angler Magazine does not guarantee that information or communication systems supplied by Coastal Angler Magazine or its suppliers will not be vulnerable to these problems. You acknowledge and agree that Coastal Angler Magazine is solely responsible for protecting itself from these problems. You must also take reasonable steps to verify that Coastal Angler Magazine's suppliers, lenders, landlords, customers, and governmental agencies on which you rely, are reasonably protected. This may include taking reasonable steps to secure Coastal Angler Magazine's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

SECTION 12 EQUIPMENT, INVENTORY AND SUPPLIES

- 12.1 You may purchase the supplies required for the operation of the Business only from us or approved manufacturers or suppliers. The names and addresses of Coastal Angler Magazine's approved manufactures and suppliers are in the Manual. We may approve specific vendors for certain products or services such as a freelance graphic design artist for your local edition. We may collect rebates from suppliers or vendors based on franchisee purchases and sales. We may make such payments a condition of our approval. We may name ourselves or our affiliate(s) as an exclusive supplier.
- 12.2 The standards and specifications for other supplies required by Coastal Angler Magazine are in the Manual. You are required to follow Coastal Angler Magazine's standards and specifications when purchasing all equipment, supplies, or other products required for the operation of the Business.
- 12.3 If you desire to purchase the required supplies, or other products from a manufacturer or supplier not approved by Coastal Angler Magazine, you will provide Coastal Angler Magazine with all information regarding the manufacturer or supplier you wish approved.

On Coastal Angler Magazine's request, the manufacturer or supplier may be required to provide Coastal Angler Magazine with samples of the equipment, products, or other supplies you wish to purchase. Any tests required by Coastal Angler Magazine to determine whether the equipment, products, or other supplies meet our standards and specifications will be performed by or under the direction of Coastal Angler Magazine but at the cost of the manufacturer or supplier you wish approved. On the completion of any tests, Coastal Angler Magazine will determine whether the goods are of sufficient quality, and whether the manufacturer or supplier possesses adequate capacity and facilities to supply your needs in a reliable manner. Coastal Angler Magazine will then promptly advise you and the manufacturer or supplier as to approval and of the basis for our decision.

Coastal Angler Magazine will not be required to approve sources of equipment, products, or other supplies which do not meet our standards and specifications or which constitute or embody trade secrets of Coastal Angler Magazine.

- 12.4 Coastal Angler Magazine may review the quality of the equipment, products, and other supplies produced or supplied by approved manufacturers or suppliers (and their capacity and facilities), and will have the right to monitor the production, use and ultimate disposition of items bearing the Marks. On the basis of any review and monitoring, Coastal Angler Magazine may remove manufacturers or suppliers from the list of approved sources. In this event, Coastal Angler Magazine will promptly advise you.

SECTION 13 INSURANCE AND INDEMNIFICATION

- 13.1 You must, upon commencement of the License Term, purchase and at all times maintain in full force and effect:

- A. Workers' Compensation Insurance in amounts prescribed by law; and
 - B. Comprehensive General Liability insurance and Product Liability insurance coverage in such amounts and upon such terms as may from time to time be required for a publishing business located in your Territory.
- 13.2 All policies of insurance required under this Section will be with responsible companies qualified to do business and in good standing in the state where the Business is operated, and must be in a form reasonably satisfactory to Coastal Angler Magazine. Prior to opening for business you will furnish to Coastal Angler Magazine certificates issued by each of your insurers indicating that all premiums due have been paid, that all required insurance is in full force and effect and that the insurance will not be terminated or changed without at least 30 days' prior written notice from the insurer to Coastal Angler Magazine. New certificates evidencing renewal of insurance will be furnished at least 30 days prior to the date of expiration of each policy. Within 5 days of any request by Coastal Angler Magazine, you will deliver a copy of all insurance policies to Coastal Angler Magazine for examination.
- 13.3 If you fail to obtain or maintain adequate insurance, Coastal Angler Magazine may, at its election and sole discretion, obtain insurance for and in your name. Within 5 days of any written request by Coastal Angler Magazine, you will pay all costs of obtaining adequate insurance.
- 13.4 You will indemnify, defend and hold Coastal Angler Magazine harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious, collectively, "Damages", arising directly or indirectly out of or in connection with the operation, maintenance or occupancy of the Business, except to the extent that such liabilities arise from the gross negligence or willful acts of Coastal Angler Magazine.
- 13.5 All equipment, merchandise, supplies, and other property used by the Business will be at your sole risk and hazard, and if they are destroyed or damaged in any way, no part of the loss or damage is to be paid by Coastal Angler Magazine except to the extent caused by Coastal Angler Magazine's gross negligence or willful acts.

SECTION 14 TRADEMARKS AND TRADE SECRETS

- 14.1 You recognize and acknowledge Coastal Angler Magazine exclusive ownership of and rights in Coastal Angler Magazine's current and future Marks and in all related practices, procedures, methods and devices. All goodwill now or in the future associated with or relating to the Marks will accrue directly and exclusively to the benefit and is the property of Coastal Angler Magazine. Nothing contained in this Agreement will be construed to entitle you any right, title or interest in or the Marks or the goodwill now or in the future associated with them, other than the rights and license expressly granted in this Agreement.

- 14.2 You represent, warrant and agree that you will not:
- A. Directly or indirectly contest or aid in contesting, either during the term of this Agreement or following its termination, the validity or ownership of the Marks; or
 - B. Take any action in derogation of Coastal Angler Magazine's claimed rights whether now existing or later obtained.
- 14.3 You agree to use only Coastal Angler Magazine existing or future Marks, and related practices, systems, procedures and methods in connection with the promotion and operation of the Business, and only in accordance with the procedures established by Coastal Angler Magazine.
- 14.4 You will cause Coastal Angler Magazine's Marks to be reproduced exactly and accurately.
- 14.5 With the exception of the registration of a "d/b/a" or a fictitious name certificate in connection with the operation of the Business, you may not register or attempt to register the Marks in your own name.
- 14.6 You will immediately inform Coastal Angler Magazine of any suspected, known or threatened infringement, piracy or challenge to the Marks, trade secrets, methods and procedures used in the System. You will assist and cooperate with Coastal Angler Magazine in taking action, at Coastal Angler Magazine's expense, as Coastal Angler Magazine deems appropriate to protect the System.
- 14.7 Immediately upon the expiration or sooner termination of this Agreement, you must:
- A. Cease and forever abstain from using any of the Marks;
 - B. Take all actions necessary to cancel any d/b/a or fictitious name registration containing any of the Marks; and
 - C. Furnish Coastal Angler Magazine with evidence satisfactory to Coastal Angler Magazine of compliance with the foregoing obligations within 30 days after any expiration or sooner termination.
- 14.8 You acknowledge that you took no part in creating or developing, no prior knowledge of, and no rights or claims in or to, any element of the System. You agree to keep strictly confidential all materials loaned or licensed or made available to you and that all such materials remain the property of Coastal Angler Magazine.

You shall not disclose, exhibit or reproduce any confidential element of the System that becomes known to you through Coastal Angler Magazine in any manner, except to those persons employed by you to whom disclosure must be made to enable you to operate the Business under the terms of this Agreement. After the expiration or sooner termination of

this Agreement, neither you and your employees, nor any of your officers, directors, shareholders if you are incorporated, shall disclose, exhibit or reproduce any confidential information or trade secrets to any corporation, association, partnership or person.

You recognize that all of the existing or future Marks, related practices, systems, procedures and methods are trade secrets, which Coastal Angler Magazine has made a substantial investment in these trade secrets and that disclosure of the trade secrets is prohibited. You agree to cause your employees to execute proprietary information agreements containing the provisions of this Subsection and any confidentiality agreements if requested by Coastal Angler Magazine.

These restrictions are imposed for the term of this Agreement, and after this Agreement is terminated (or expires), the entire length of time that any Confidential Information is a trade secret and otherwise, for 10 years, if 10 years is not enforceable in a particular state, then the time period is 6 years, unless 6 years is not enforceable in a particular state, then the time period is 4 years, or for the longest period of time as may be permitted by applicable law.

- 14.9 Except as specifically disclosed in the Franchise Disclosure Document, Coastal Angler Magazine represents and warrants to the best of Coastal Angler Magazine's knowledge that the Marks do not violate or infringe upon any rights of others.

SECTION 15 RESTRICTIONS ON COMPETITION

- 15.1 During the term of this License and this Agreement, or any extensions or renewals and for a period of two years following expiration or termination of the License and this Agreement for any reason, neither you, nor persons associated with you, including owners, managers, employees or agents and any immediate family members, may participate directly or indirectly or serve in any capacity in any magazine business in any format (paper, web-based, online or other format) or any genre even if not directly competitive with the System; or participate directly or indirectly or serve in any capacity in any business engaged in the sale of services or products the same as, similar to, or competitive with the System. This covenant not to compete strictly applies: during the term of the Agreement and for two years after expiration or termination, regardless of reason. Customer lists and the manual are considered confidential information and may only be used for the franchised business. See Exhibit 3.

This covenant not to compete is given in part in consideration for training and access to Coastal Angler Magazine's confidential information and trade secrets, and which, if used in a competitive business without paying royalties and other payments, would give you an unfair advantage over us and our Franchisees and affiliates.

- 15.2 The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement. Nothing in this Section will prevent any active officer of yours or member of your family either individually or collectively,

from owning not more than a total of 5% of the stock of any company that is subject to the reporting requirements of Sections 11 or Subsection 14(D) of the Securities and Exchange Act of 1934.

- 15.3 You may not at any time employ or otherwise interfere with the employment relationship of any person who is employed by Coastal Angler Magazine or its' franchisees.
- 15.4 If any court having jurisdiction to determine the validity or enforceability of this Section determines that, strictly applied, it would be invalid or unenforceable, the definition of "similar business" or the time or geographical provisions of this Section will be deemed modified to the extent necessary (but only to that extent) so that such restrictions as modified, will be valid and enforceable.
- 15.5 You acknowledge that as a Coastal Angler Magazine Franchisee, you will have access to Coastal Angler Magazine's trade secrets and confidential information and practices and therefore be in a unique position to use the special knowledge you will have gained while a franchisee. You acknowledge that a breach of the covenants contained in this Section will be deemed to threaten immediate and substantial irreparable injury to Coastal Angler Magazine. Accordingly, you agree that Coastal Angler Magazine will have the right, without prior notice to you, to obtain immediate injunctive relief without limiting any other rights or remedies.
- 15.6 In the event that you are not an individual, this Section will also apply to the officers, directors, stockholders, trustees, beneficiaries and/or principals of you, the franchisee, and any persons controlled by, controlling or under common control with you.

SECTION 16 BREACH AND TERMINATION

- 16.1 Termination by you.

If you are in compliance with this Agreement and Coastal Angler Magazine breaches this Agreement and fails to cure the breach within 30 days after a written notice of the breach is delivered to Coastal Angler Magazine by you, you may terminate the License and Agreement, effective 10 days after the delivery to Coastal Angler Magazine of a notice of termination. There are no other provisions in this Agreement that grant you the right to terminate the License and Agreement. Should you terminate the License and this Agreement in compliance with this Subsection, you are required to comply with the termination procedures as set forth in Subsection 16.4.

- 16.2 Termination by Coastal Angler Magazine without Notice.

Unless Coastal Angler Magazine promptly, after discovery of the relevant facts, notifies you to the contrary in writing, the License and this Agreement will immediately terminate without notice (or in the event notice is required by law, immediately upon the giving of such notice or at the earliest time thereafter permitted by applicable law) in the event that:

- A. A permanent or temporary receiver or trustee for the Business or all or substantially all of your property is appointed by any court, or any such appointment is consented to or not opposed through legal action by you, or you make a general assignment for the benefit of your creditors or you make a written statement to the effect that you are unable to pay your debts as they become due, or a levy or execution is made on the License, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by you and Coastal Angler Magazine is advised;
- B. You contest in any court or proceeding the validity of, or Coastal Angler Magazine's ownership of, any of the Marks;
- C. A breach of Section 17 (Assignment) occurs;
- D. You are a corporation and any action is taken which purports to merge, consolidate, dissolve or liquidate you without Coastal Angler Magazine's prior written consent;
- E. Failure to print and distribute 10,000 copies of Coastal Angler Magazine;
- F. Failure to attend the annual mandatory conventions;
- G. You have made any material misrepresentation or omission in connection with the acquisition of the Business or to induce us to enter into this Agreement;
- H. You materially breach this Agreement a third time after twice being notified by us to correct any material breach of this Agreement in any twelve month period (regardless of whether the first two breaches were cured); or
- I. You are convicted of a felony or any criminal misconduct which is relevant to the operation or reputation of the Business.
- J. If you notify us in writing that you will cease operating the Business at a future date or takes such action that we reasonably conclude that you will cease operating the Business at a future date

16.3 Termination by Coastal Angler Magazine With Notice.

Events of Default. Upon the occurrence of any of the following defaults by you, Coastal Angler Magazine, at its option, may terminate this Agreement as of the date stated in the notice, without waiving or diminishing any other remedies we may have:

- A. You fail to make any payment when due under this Agreement or any other agreement between us or between you or our affiliates;
- B. You fail to commence operation of the Business on time;
- C. You misuse the Marks, the Confidential Information or any other part of the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them;
- D. You receive more than three customer complaints in a rolling six month period; or
- E. If you default in the performance of any other obligation under this Agreement.

Effective Date of Termination Without Cure of Default. Termination will be effective 5 business days after written notice is given to you if the default described in Paragraph A of this Section has not been cured within that time period. Termination will be effective 30 days after written notice of default is given to you if any default described in Paragraphs B through E of the Section above has not been cured within that time period, subject to extension as provided below.

Extended Cure Period. In the event of a default under a provision of this Agreement which permits time to cure, if the default by its nature cannot reasonably be cured within the specified cure period, the defaulting party shall be entitled to such additional time to cure (not to exceed 60 additional days) as the other party in its sole subjective judgment exercised in good faith deems reasonable, provided that the defaulting party has commenced action to cure the default within the initial cure period and continues diligently thereafter to accomplish the cure. Such an extension shall not be applicable if the default is the failure to pay money due and owing, or if the default is caused, directly or indirectly, by the defaulting party's financial inability, gross negligence or willful misconduct.

Obligations During Cure Period. During any time period you have to cure a violation or a default we are excused from our obligation to include any advertising you have sold or any local materials you have provided to us in the next magazine(s) until your account is in Good Standing and you have cured the violation or default. Coast Angler Magazine is also not liable for any damages you may have for not including paid advertising or local materials in the magazine if you fail to be in Good Standing, while you are curing a violation or default or after termination.

16.4 Effect of Termination.

Should this Agreement or the License expire or be terminated by any party and for any reason, all rights and obligations between you and Coastal Angler Magazine under this Agreement will terminate, except for Subsections 10.1, 10.2, and Section 14 and 15. Upon

expiration or termination, you will cease to be a licensed participant in the System, and you must:

- A. Promptly pay Coastal Angler Magazine all amounts owed by you based on operations of the Business through the date of termination plus interest at the lower of (i) 12% per annum; or (ii) the currently applicable prime lending rate;
- B. Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings and service, the Manual, and all materials and products of any kind which are identified or associated with the System and return all these materials and products to Coastal Angler Magazine and, at Coastal Angler Magazine's request, assign your telephone number to Coastal Angler Magazine;
- C. Make no representation nor state that you are in any way approved, endorsed or licensed by Coastal Angler Magazine or associated or identified with Coastal Angler Magazine or the System in any manner, including as a former franchisee;
- D. Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the Coastal Angler Magazine Franchising, Inc. Page 45 System;
- E. Provide Coastal Angler Magazine the option to purchase required by Section 18; and
- F. Comply with the provisions of Subsections 14.7 and 15.

16.5 If, within 30 days after termination, you have not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, you hereby irrevocably appoint Coastal Angler Magazine as your true and lawful attorney for you, and in your name, place and stead and on your behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Coastal Angler Magazine to protect the System and pay any reasonable costs incurred by Coastal Angler Magazine in doing so.

16.6 In addition to all other remedies granted, if you default in any of your obligations or breach any term or condition of this Agreement or any related agreement pertaining to or concerning the franchise granted, we may, at our election, immediately or at any time without waiting any claim for breach, cure these default(s) for the account, and behalf of you, and the cost to us shall be due and payable by you to us on demand. We shall not be

responsible to you for any loss or damage resulting in any manner by reason of our undertaking in good faith any acts to cure any default(s) by you.

- 16.7 Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies which Coastal Angler Magazine may have against you, whether such claims or rights arise before or after termination.

SECTION 17 ASSIGNMENT

17.1 General.

None of your rights under this Agreement or the License granted, all of which are personal in nature, may be the subject of any pledge, lien, levy, attachment, or security arrangement, or acquired through execution, foreclosure, or like action. None of your rights or obligations under this Agreement or the License granted are assignable or transferable (including by will, declaration of or transfer in trust or the laws of in testate succession) without Coastal Angler Magazine's prior written consent and compliance in all other respects with the terms of this Section. If you are a general partnership, limited partnership or corporation, no initial personal interest in the general partnership, limited partnership, or corporation is assignable or transferable without Coastal Angler Magazine's prior written consent, which will not be unreasonably withheld, and compliance in all other respects with the terms of this Section. Any purported action contrary to this Section will be a material breach of this Agreement and will be void.

You must obtain our commercially reasonable consent to any broker or transfer agent that you wish to use. You must not use any of the Marks in any listing for sale or transfer without our prior written approval. You must obtain our prior written approval of any advertising for any transfer or assignment.

With and after each valid assignment of this Agreement pursuant to this Section, the assignee or assignees will be deemed to be you, the Franchisee, under this Agreement and will be bound by and liable for all of your existing and future obligations. No stockholder in any corporation which becomes the Franchisee will have any rights under this Agreement by reason of his, her or its stock ownership, and the name of such corporation will not include any of the Marks.

17.2 Conditions to Assignments and Transfers.

No transfer or assignment of this Agreement will be approved by Coastal Angler Magazine or be effective unless and until:

- A. There is no default in the performance or observance of any of your obligations under this Agreement or any other agreement with Coastal Angler Magazine.

- B. You have settled all outstanding accounts with Coastal Angler Magazine, and you and every principal of your corporation, have executed a general release of Coastal Angler Magazine and all principals of Coastal Angler Magazine from all claims that may be brought by you or any principal.
- C. The proposed transferee pays Coastal Angler Magazine a Transfer Fee in the amount of \$2,500.00.
- D. The proposed transferee will execute a separate Franchise Agreement with Coastal Angler Magazine, using our then current form of Franchise Agreement, and the proposed transferee will execute an Acknowledgment of Receipt of a then current copy of our Franchise Disclosure Document.
- E. The proposed transferee will pay for, attend and satisfactorily complete the Training Program for new franchisees unless,
 - i. The transferee is a current franchisee in good standing in the System, or
 - ii. The transferee is and has been a manager for a period of one year or more of Coastal Angler Magazine Business in good standing.
- F. The individual proposed transferee, or, if the franchisee is a corporation, partnership or trust transferee or other legal entity, the stockholders, members, partners or trustees and beneficiaries and their spouses, will each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations.
- G. The proposed transferee will have demonstrated to Coastal Angler Magazine satisfaction that he or she respects our standards applicable and ability to devote his or her full time and best efforts to the operation of the franchised business, and any other conditions as Coastal Angler Magazine may reasonably apply in evaluating new franchisees. Coastal Angler Magazine must be provided all information about the proposed transferee as we may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of Coastal Angler Magazine will be permitted.
- H. The parties to the proposed transaction will have entered a binding agreement subject only to the rights of Coastal Angler Magazine. Coastal Angler Magazine will be furnished a copy of this binding agreement (a "Purchase Offer"), and Coastal Angler Magazine must waive in writing its rights under Section 18 before any transfer is complete. You will advise each prospective transferee of this provision and the other terms of this Agreement.

- 17.3 If you are an individual and you desire to transfer your rights under this Agreement to a corporation, partnership or trust which you will newly form and of which you will be a majority shareholder, partner, trustee, beneficiary and/or an executive officer, you may do so only if:
- A. Your name remains on this Agreement and the corporation, partnership or trust is added as a co-Franchisee;
 - B. You continue to devote your full time and best efforts to manage the day-to-day operations of the franchised business unless you have an operational partner or manager approved by Coastal Angler Magazine;
 - C. The corporation's, partnership's or trust's activities be confined exclusively to operating the franchised business;
 - D. The corporation, partnership, trust and all officers sign an agreement with Coastal Angler Magazine assuming jointly and severally all your obligations under this Agreement; and it is expressly understood that the assumption of your obligation by any corporation, partnership or trust does not limit your personal obligations under this Agreement, and that you and the corporation, partnership or trust will be jointly and severally liable.
- 17.4 Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that your legal representatives will within six months of your death apply in writing to Coastal Angler Magazine for the right to transfer to the next of kin or legatee your rights under this Agreement. Coastal Angler Magazine will not unreasonably withhold our permission so long as the proposed transferees meet each of the requirements set forth in Subsection 17.2 without regard to Subsection 17.2(C).
- 17.5 Any attempt by you to transfer any of your rights or interest under this Agreement or the License, without having received Coastal Angler Magazine's prior written consent will constitute a material breach of this Agreement. However, if you die and your personal representative does not desire to sell the Business, and if under controlling local law your interest in the Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then, such attempted assignment by operation of law or will not be deemed in violation of this Agreement, provided that such heirs or legatees accept the conditions imposed on otherwise permitted assignees.
- 17.6 You will not have the right to grant a sub franchise.
- 17.7 Coastal Angler Magazine may assign its rights under this Agreement as it sees fit without notice to you. No assignment will be made except to an assignee who I good faith and

judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under this Agreement.

SECTION 18 OPTION TO PURCHASE

- 18.1 Unless otherwise explicitly provided by this Agreement, Coastal Angler Magazine will be entitled to exercise the rights provided in this Section immediately upon:
- A. The expiration without renewal or the termination for any reason of the License or this Agreement;
 - B. Any breach, default or other event that gives Coastal Angler Magazine the right to terminate the License or this Agreement; or
 - C. The receipt by Coastal Angler Magazine of a copy of a Purchase Offer.
- 18.2 Upon any event described in Subsection 18.1, Coastal Angler Magazine will have the option to purchase all of your rights, title and interest in the Business, and all its improvements, equipment and products, and all of your accounts, contract rights, customer and vendor lists, work in progress and other business assets.
- 18.3 The purchase price for assets itemized in Subsection 18.2 will be the current fair market value if Subsection 18.1A or 18.1B is applicable or the price specified in any written purchase offer received by you if Subsection 18.1C is applicable. If you and Coastal Angler Magazine cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by each of us and those two appraisers will jointly choose a third appraiser. An average of the 3 appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to you. If Coastal Angler Magazine elects to exercise any option to purchase provided in this Subsection, Coastal Angler Magazine will have the right to set off all amounts due from you under the Franchise Agreement and the cost of the appraisal, if any, against any payment.
- 18.4 Coastal Angler Magazine will notify you of our intention to exercise its rights to purchase (a "Notice of Intent") within 60 days following an event described in Subsection 18.1. The Notice of Intent will specify the assets to be purchased, and the fair current market value as determined by Coastal Angler Magazine. You will have 14 days following receipt of Coastal Angler Magazine's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing will be resolved through appraisal as specified Subsection 18.3. If Coastal Angler Magazine declines to exercise its rights under this Section within 60 days you may thereafter, sell or dispose of the franchised business to a third party, but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, and subject to the prior written permission of Coastal Angler Magazine and satisfaction of the other conditions to assignment set forth in Section 17.

18.5 The purchase and sale contemplated in this Section will be consummated as soon as practicable. Following the delivery of a Notice of Intent as specified in Subsection 18.4, Coastal Angler Magazine or our designee will have the right to take possession of the Business and to carry on and develop the franchised business for the exclusive benefit of Coastal Angler Magazine or its designee.

18.6 In the event that Coastal Angler Magazine elects not to exercise its option to purchase under this Section, the provisions of Section 17 will apply to any proposed transfer by you.

SECTION 19 BANKRUPTCY OR INSOLVENCY

19.1 You will be deemed in default under this Agreement and all rights granted herein will automatically terminate without notice in the event of the following:

- A. You become insolvent, or make a general assignment for the benefit of creditors;
- B. You file a petition of bankruptcy, or do not oppose a petition filed against you;
- C. You consent to the filing of a receivership or other custodianship for your business assets;
- D. You have instituted by or against you proceedings for a composition with creditors under any state or federal law;
- E. You have a final judgment filed against you which remains unsatisfied or of for 30 days or longer (unless supersedes bond is filed);
- F. An execution is levied against your franchise or property contained in the Business, or a suit to foreclose any lien against the Business or equipment is instituted against you and not dismissed within 30 days, provided that this provision will not apply if a supersedes bond is timely filed; or
- G. Your Business' property is sold after levy by any sheriff, marshal, or constable.

SECTION 20 MISCELLANEOUS

20.1 Relationship of Parties.

You neither have nor will you exercise any authority, express, implied or apparent, to act on behalf of or as an agent of Coastal Angler Magazine or any of its affiliates or subsidiaries, for any purpose, and will take no action which might tend to create an apparent employer-employee or agency relationship between you and Coastal Angler Magazine.

No fiduciary relationship exists between you and Coastal Angler Magazine. You are, and will remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Business and its business and for all claims and demands based on damages or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly arising from or in connection with the operation of the Business. Coastal Angler Magazine will neither have, nor exercise the right to control the day-to-day managerial operations of the Business, including no right to control your employment policies, including hiring, scheduling, pay rates, discipline or termination of your employees, except that you must adhere to our System standards in your franchise business.

20.2 No Conflict with Other Agreements.

You represent that you are not a party to or subject to agreements that might conflict with the terms of this Agreement and agree not to enter into any conflicting agreements during the License Term.

20.3 Cost of Enforcement.

If either party institutes and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party will be entitled to recover from the losing party, in addition to any judgment reasonable attorneys' fees, court costs and all of the prevailing party's reasonable expenses in connection with any action at law.

20.4 No Waiver.

No failure, forbearance, neglect or delay of any kind on the part of Coastal Angler Magazine in connection with the enforcement or exercise of any rights under this agreement will affect or diminish Coastal Angler Magazine's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by you or Coastal Angler Magazine other franchisees will preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Coastal Angler Magazine of performance of any provision of this Agreement will constitute or be implied as a waiver of Coastal Angler Magazine's right to enforce that provision at any future time. You waive any right to a trial by jury in any action, proceeding or counterclaim, whether at law or in equity. Any dispute, arbitration or court action will be heard and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. This proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties. Except for your obligations to indemnify us pursuant to Section 13.4 of this Agreement and claims for unauthorized use of the Marks or the Manual, you and Coastal Angler Magazine will each be limited to equitable relief and recovery of any actual damages it sustains, and each waives to the fullest extent permitted by law any right to, or claim for, any punitive or exemplary damages against the other.

20.5 Entire Agreement; Amendments.

This Agreement, together with any written related agreements and all Exhibits, constitutes the entire understanding and agreement of between you and Coastal Angler Magazine and supersedes all prior understandings, whether oral or written, pertaining to this Agreement, License, System or Business. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, will be binding upon you or Coastal Angler Magazine or effective unless in writing signed by you and Coastal Angler Magazine's President or Vice President. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

20.6 Severability.

If any term or provision of this Agreement or the application thereof to any person, property or circumstances will to any extent be invalid or unenforceable, the remainder of this Agreement will be unaffected and will remain in full force and effect and each term and provision will be valid and enforced to the fullest extent permitted by law. Should this prove impractical, Coastal Angler Magazine will have the option of terminating this Agreement upon written notice to you.

20.7 Governing Law.

This Agreement has been made and accepted in the State of Florida and it will be interpreted in accordance with and governed by the laws of the State of Florida and any applicable federal and state franchise laws. You hereby consent to jurisdiction in the state where we have our principal place of business, currently Florida.

20.8 Arbitration.

Except as specifically otherwise provided in this Agreement, and in the event that you or Coastal Angler Magazine seeks injunctive relief under this Agreement, each of us agree that any and all disputes between us, and any claims by either of us that cannot be amicably settled, will be determined solely and exclusively by arbitration in accordance with the then existing rules of the American Arbitration Association, subject to the following:

- A. You must notify Coastal Angler Magazine of your underlying issues at least 30 days prior to filing for arbitration and you agree that you will discuss the issues you wish to raise in arbitration with Coastal Angler Magazine at least once before filing any demand for arbitration.
- B. Arbitration proceedings will be conducted in accordance with the rules then prevailing of the American Arbitration Association in the county in which we have our principal place of business, currently Brevard County, Florida. Judgment upon an award by the arbitrator will be final and binding

and may be entered in a court of competent jurisdiction by either party. If there is any question as to whether a claim is subject to arbitration (including whether class action arbitration is permitted), then the decider of the first open action shall decide this issue such that if an arbitration was the first action to have been filed, the arbitrator shall make such determination and if a party has first sought provisional injunctive relief from a court of competent jurisdiction, then that court shall decide if a claim is subject to arbitration.

- C. You and Coastal Angler Magazine agree to each pay one-half of the upfront arbitration fees regardless of the number of officers and owners from each side that are also named in the arbitration demand. If either party fails to pay its portion of the arbitration fees, both parties agree that the arbitrator may impose sanctions such as limiting discovery requests, not considering evidence submitted by the non-paying party, and awarding default judgment in favor of the existing party with an award of damages.
- D. Nothing herein contained will bar the right of you or Coastal Angler Magazine to obtain injunctive relief against threatened conduct that would violate this Agreement and cause loss or damages.
- E. Subject to state law, you agree that any arbitration filing will not be pursued on a class action basis and you waive any rights to a class action arbitration.

20.9 Notices.

All notices and other communications provided for in this Agreement must be in writing and will be delivered either in person, via email to the last known email address provided by you, or mailed by certified or other receipted mail or by Federal Express or U.S. Express Mail for overnight delivery to you, at your address or, if to Coastal Angler Magazine at our address, Attention: EVP Coastal Angler Magazine Operations. You or Coastal Angler Magazine, by notice, may change the address to which notices will be sent. Notices delivered in person will be deemed given when presented even if the notice is not accepted. Mailed notices will be legally counted as having been given three days after mailing if by certified or other receipted mail or one day after mailing if by Federal Express or U.S. Express Mail for overnight delivery. Notices provided through email will be legally counted as having been given as of the day after the email is sent, provided that the email is not automatically returned as undeliverable. If the email is returned as undeliverable, an alternative method of delivery in this Section must be used. If you are a corporation or more than one individual, then you will authorize one natural person as correspondent with authority to bind you and to accept notice. You agree that your failure to accept delivery of certified or receipted mail or your failure to open an email will not delay the time periods for notice as long as the delivery was to the physical or email address for which you had previously provided to us. Your verbal or written acknowledgement of receipt of a notice waives any argument that notice was not properly given. An email is also considered to be a notice in writing.

20.10 Certain References.

References to weeks and months mean calendar weeks and calendar months. References to persons mean legal entities as well as natural persons. Whenever the pronoun "he" or "his" is used herein, it refers to masculine, feminine and neuter genders and also singular and plural. Except as otherwise specifically set forth in this Agreement, this Agreement will inure to the benefit of and be binding on you and Coastal Angler Magazine our respective heirs, executors, administrators, personal representatives, successors and assigns.

20.11 Acknowledgment

YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE COASTAL ANGLER MAGAZINE SYSTEM AND RECOGNIZE THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON THE ABILITY OF YOU AS AN INDEPENDENT BUSINESS PERSON. COASTAL ANGLER MAGAZINE FRANCHISING, INC. EXPRESSLY DISCLAIMS THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT BY IT OR ANY OF ITS AGENTS, EMPLOYEES OR BROKERS.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED A COPY OF THE COMPLETE COASTAL ANGLER MAGAZINE FRANCHISE AGREEMENT AT LEAST 7 DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED. YOU FURTHER ACKNOWLEDGE THAT YOU RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION, ENTITLED, "FRANCHISE DISCLOSURE DOCUMENT" AT LEAST 14 CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THIS AGREEMENT; AND THAT COASTAL ANGLER MAGAZINE HAS ACCORDED YOU AMPLE TIME AND OPPORTUNITY AND HAS ENCOURAGED YOU TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Coastal Angler Magazine when executed or initialed by the Coastal Angler Magazine President, Vice-President or authorized Franchise Developer as an agent of such officer.

You and Coastal Angler Magazine, intending to be legally bound, have duly executed, sealed, and delivered this Agreement in duplicate this _____ day of _____ 20____.

**COASTAL ANGLER MAGAZINE
FRANCHISING, INC.:**

FRANCHISEE:

Print Name

Print Name

Signature

Signature

Title

Title

_____, 20____

_____, 20____

Date

Date

**EXHIBIT 1
TERRITORY DESCRIPTION**

EXCLUSIVE TERRITORY:

APPROVED LOCATION:

AUTHORIZED EXCLUSIVE AREA:

**COASTAL ANGLER MAGAZINE
FRANCHISING, INC.:**

Print Name

Signature

Title
_____, 20____
Date

FRANCHISEE:

Print Name

Signature

Title
_____, 20____
Date

**EXHIBIT 2
PERSONAL GUARANTY**

We, the undersigned, in order to induce Coastal Angler Magazine to enter into this Franchise Agreement, hereby, jointly and severally, personally guarantee performance of this Agreement in its entirety and specifically, but without limitation thereto, the monetary obligation of the Franchisee, as well as the confidentiality and non-competition provisions as if each of us were the Franchisee.

We understand that a discharge in bankruptcy of the Franchisee by a Bankruptcy Court that is “full satisfaction” (or words to such effect) of the Franchise Agreement’s obligations, regardless as to whether the discharge was part of the resolution of a bankruptcy claim or as part of a plan of reorganization, does not excuse our obligations as Guarantor which continue on a personal basis.

GUARANTOR:

SPOUSE:

Print Name

Print Name

Signature

Signature

_____, 20____
Date

_____, 20____
Date

Address:

Address:

Telephone: _____

Telephone: _____

EXHIBIT 3
NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement (“Agreement”) is made and entered into effective the ____ day of _____, 20____ by and between Coastal Angler Magazine Franchising, Inc., a Florida corporation (“Franchisor”), located 1980 N. Atlantic Avenue, Suite 230-17, #8, Cocoa Beach, Florida 32931 and _____ (“Franchisee) who resides at: _____

and is associated with a designated Coastal Angler Franchise in the capacity of **FRANCHISEE**.

RECITALS

A. The Franchisor is engaged in a business that produces a monthly print publication and sells advertising into the monthly print and digital publication, under the trade name Coastal Angler Magazine (the “Business”). The Business is operated under the Franchisor’s service mark “Coastal Angler Magazine” and other service marks, trademarks, logo types, trade dress and other commercial symbols (collectively “Marks”);

B. The Franchisor has developed methods for establishing, operating and promoting Businesses pursuant to the Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, advertising and marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Franchisor (“Confidential Information”) and such Confidential Information as may be further developed from time to time by the Franchisor;

C. The Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of the Monthly print publication and the goodwill and reputation have been and will continue to be of major benefit to the Franchisor;

D. Franchisee is or will become involved with the Franchisor in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Franchisor (“Franchisee”), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information; and;

E. Franchisee and the Franchisor have reached an understanding with regard to non-disclosure by Franchisee of Confidential Information and with respect to non-competition by Franchisee with the Franchisor.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisee and the Franchisor, intending legally to be bound, agree as follows:

1. Confidential Information. Franchisee and the Franchisor acknowledge that the distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Franchisor which are developed and utilized in connection with the operation of the Business are the Franchisor's Confidential Information.

Such Confidential Information is unique, exclusive property and a trade secret of the Franchisor. Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Franchisor. Franchisee further acknowledges that the Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Coastal Angler Magazine, Confidential Information.

2. Customer Lists and Operations Manuals as Trade Secrets. It is understood that Confidential Information, constituting "trade secrets", as used in this Agreement, is deemed include, without limitation, product components, lists of customers, supplier information and any and all information contained in the Franchisor's Manual (as defined in the Franchise Agreement), which may be provided as one or more separate print or electronic manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature which gives the Franchisor and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, or information.

3. Nondisclosure of Confidential Information. Franchisee shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor or the Business, any of the Confidential Information of the Franchisor or its affiliates.

4. Non-competition Covenant. Franchisee acknowledges that, in addition to the license of the Marks hereunder, Franchisor has also licensed commercially valuable information which comprises and is a part of the System, including without limitation, proprietary processes, operations, marketing and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all franchisees of Franchisor using the Marks and System. Franchisee therefore agrees that other than the Business licensed herein, neither Franchisee, any manager of the Business nor any of Franchisee's officers, directors, shareholders, partners, members or managers, nor any member of his, her or their immediate families, will during the term of this Agreement:

- a) Have any direct or indirect controlling interest as a disclosed or beneficial owner in a Restricted Business (as defined below);

- b) Perform services as a director, partner, officer, manager, employee, consultant, representative, agent or otherwise for a Restricted Business; or,
- c) Divert or attempt to divert any business related to, or any customer or account of Coastal Angler Magazine, the Franchisee's Business, the Franchisor's business, the business of any affiliate of the Franchisor or any other Franchisee, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Franchisor or another franchisee licensed by Franchisor, to any Restricted Business by any direct inducement or otherwise.

The term "Restricted Business" as used in this Agreement will mean any magazine business in any format (paper, web-based, online or other format) or any genre even if not directly competitive with the System; and/or any business engaged in the sale of services or products the same as, similar to, or competitive with the System.; provided, however, Franchisee, its owners, members, partners, principals, and if an individual, members of its immediate family will not be prohibited from owning securities in a Restricted Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent in the aggregate five percent (5%) or less of that class of securities issued and outstanding.

5. Post-Termination Covenant Not to Compete. Upon termination or expiration of this Agreement for any reason, Franchisee, Franchisee, and its officers, directors, shareholders, and partners agree that, for a period of two (2) years commencing on the effective date of termination or expiration, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee, any manager of the Business, nor any of Franchisee's officers, directors, shareholders, managers, members, or partners will have any direct or indirect interest (through any immediate family member of Franchisee, Franchisee, or its owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Restricted Business offering the sale of advertising services or products within the Territory or within the state the Territory is located in. This covenant not to compete strictly applies: during the term of the Agreement and for 2 years after expiration or termination, regardless of reason. This term may begin to run from the date of any injunction or court order if such legal action is necessary to enforce the terms of this Agreement. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Franchisee, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

6. Injunction. Franchisee hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief

in addition to any other rights or remedies to which the Franchisor may be entitled. Franchisee agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling \$500 or more, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee.

7. Effect of Waiver. The waiver by Franchisee or the Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Franchisee and the Franchisor and their respective heirs, executors, representatives, successors and assigns.

9. Entire Agreement. This instrument contains the entire agreement of Franchisee and the Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10. Governing Law. This instrument shall be governed by and construed under the laws of the state of Florida.

11. Jurisdiction and Venue. In the event of a breach or threatened breach by Franchisee of this Agreement, Franchisee hereby irrevocably submits to the jurisdiction of the state and federal courts of Florida, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Florida. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Florida. Notwithstanding the foregoing, in the event that the laws of the state where the Franchisee resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, avoidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or Coastal Angler Magazine pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

FRANCHISEE:

Signature

Print Name

Title

_____, 20____
Date

**APPROVED AND ACCEPTED BY
COASTAL ANGLER MAGAZINE FRANCHISING, INC.:**

Signature

Print Name

Title

_____, 20____
Date

EXHIBIT 4

ADDENDUMS REQUIRED BY STATE LAW

In addition to the laws stated in Exhibit B to the Franchise Disclosure Document, the following Items are required to be included within the Disclosure Document by the states specified below and shall be deemed to supersede the language in the Disclosure Document and Franchise Agreement itself:

New York:

Choice of Law and Forum

The franchise agreement has been made and accepted in the State of Florida and it will be interpreted in accordance with and governed by the laws of the State of Florida and any applicable federal and state franchise laws. You hereby consent to jurisdiction in Florida. However, the foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

FRANCHISEE:

Signature

Print Name

Title

_____, 20____
Date

**APPROVED AND ACCEPTED BY
COASTAL ANGLER MAGAZINE FRANCHISING, INC.:**

Signature

Print Name

Title

_____, 20____

**ADDENDUM
TO THE FRANCHISE AGREEMENT OF
COASTAL ANGLER MAGAZINE FRANCHISING, INC.
REQUIRED BY THE STATE OF MARYLAND**

This addendum to the Disclosure Document and Franchise Agreement is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise as follows:

All fees paid to Franchisor by Franchisee, including the Initial Franchise Fee and including payments for goods and services received from Franchisor before the business opens are deferred pending satisfaction of all the Franchisor's material pre-opening obligations to the Franchisee.

Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§ 14-201 to -233.
Fair Distributorship Act, Md. Code Ann., Com. Law II §§ 11-1301 to -1307.

Choice of law and forum

Section 14-216(c)(25) of the Maryland Franchise Law requires a franchisor to file an irrevocable consent to be sued in Maryland. A franchisee may sue in Maryland for claims arising under that Law.

Advertising

Under Sections 02.02.08.04B(2) and 02.02.08.16G(1) of the Code of Maryland Regulations, franchisees may obtain an accounting of advertising expenditures. This accounting will be provided to you upon your written request.

Periods of Limitation

Under Section 14-227(e) of the Maryland Franchise Law, a franchisee may bring a lawsuit in Maryland for claims arising under that Law for a period of three years after a franchise is granted.

Waivers and Releases

Section 14-226 of the Maryland Franchise Law and Section 02.02.08.16L of the Code of Maryland Regulations prohibit a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing, renewing or assigning a franchise. When prospective franchisees disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law when purchasing a franchise, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law. Any general release required as a condition of renewal, sale, transfer or assignment shall not apply to any liability under the Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

FRANCHISEE:

Signature

Print Name

Title

_____, 20____
Date

**APPROVED AND ACCEPTED BY
COASTAL ANGLER MAGAZINE FRANCHISING, INC.:**

Signature

Print Name

Title

_____, 20____

[For Ohio Franchisees Only]
Notice of Cancellation

_____, 20__ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Coastal Angler Magazine Franchising, Inc., 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931 or send a fax to Coastal Angler Magazine Franchising, Inc. at 321-777-9428 or an email to Coastal Angler Magazine Franchising, Inc. at tracy@coastalanglermagazine.com not later than midnight of _____, 20__.

I hereby cancel this transaction.

[copy to be sent to franchisor]

[For Ohio Franchisees Only]
Notice of Cancellation

_____, 20__ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Coastal Angler Magazine Franchising, Inc., 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931 or an email to Coastal Angler Magazine Franchising, Inc. at tracy@coastalanglermagazine.com not later than midnight of _____, 20__.

I hereby cancel this transaction.

[copy to be completed and retained by franchisee]

EXHIBIT 5 TO THE FRANCHISE DISCLOSURE DOCUMENT
GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is made and entered into this day of _____, 20____ by and between Coastal Angler Magazine Franchising, Inc., a Florida corporation, whose principal address 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, FL 32931 (the “Franchisor”), and _____, [an individual/a corporation/a limited liability company] whose principal address is located at _____ (hereinafter referred to as “Releasor”) [and _____ as guarantors of Releasor (hereinafter referred to as “Guarantors”)]

Releasor and Franchisor have executed a Franchise Agreement dated _____ (“Franchise Agreement”).

The parties hereto, in exchange for consideration related to _____ [describe conditions, such as execution of assignment, deferral of amounts due] and such other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, and [any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof, and its owners,] any officer, director, employee, or agent, as well any successors and assigns of any of them [and Guarantors for themselves,] (“Releasor Parties”) hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them (“Franchisor Parties”), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which the Releasor Parties may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor Parties, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Release; *provided, however*, that the foregoing release and discharge shall not apply to: (a) obligations or rights as expressly set forth in _____ [name the current document being executed or any other applicable document] between the parties or (b) [the future performance of the Franchise Agreement] [the post-termination obligations of the Franchise Agreement, including but not limited to the indemnification obligation or continuing obligations under the Franchise Agreement]. In the event any of the Releasor Parties breaches any of the promises, covenants, or undertakings made herein by any act or omission, the Releasor Parties shall

pay, by way of indemnification, all costs and expenses of the Franchisor Parties caused by the act or omission, including reasonable attorneys' fees.

2. **Release by Franchisor:**

The Franchisor Parties do hereby release and forever discharge generally, the Releasor Parties from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which the Franchisor Parties may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Releasor Parties, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Release; provided, however, that the foregoing release and discharge shall not apply to: (a) obligations or rights as expressly set forth in _____ [name the current document being executed or any other applicable document], or (b) [the future performance of the Franchise Agreement] [the post-termination obligations of the Franchise Agreement, including but not limited to, the non-compete, non-solicitation and indemnity provisions and the indemnification obligation or continuing obligations under the Franchise Agreements], and (c) any third party claim relating to or arising out of, or in any way connected with or resulting from the Releasor Parties' conduct of its franchise business prior to the effective date of this Release. In the event the Franchisor Parties breaches any of the promises, covenants, or undertakings made herein by any act or omission, the Franchisor Parties shall pay, by way of indemnification, all costs and expenses of the Releasor Parties caused by the act or omission, including reasonable attorneys' fees.

3. Each party acknowledges and warrants that his, her or its execution of this Release is free and voluntary.

4. Florida shall govern the validity and interpretation of this Release, as well as the performance due thereunder. This Release is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Release, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Florida.

6. This Release may be executed in counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same Release.

7. A PDF of an executed signature shall have the same force and effect as an originally signed signature.

**COASTAL ANGLER MAGAZINE
FRANCHISING, INC., a Florida corporation:**

Print Name

Signature

Title

_____, 20____
Date

FRANCHISEE:

Print Name

Signature

Title

_____, 20____
Date

EXHIBIT D

Coastal Angler Magazine Operations Manual
December 2021

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EXHIBIT E
CURRENT FRANCHISEES
(as of December 31, 2024)

ALABAMA	
Alabama Gulf Coast Dustin Jackson 1009 Shelton Beach Road Saraland, AL 36571 (251) 455-4467 dustin@coastanglermagazine.com	
CALIFORNIA	
Orange County, CA Gary Fogel 1226 Coldwater Canyon Beverly Hills, CA 90210 (310) 306-4688 garyf@coastanglermagazine.com	Los Angeles, CA Gary Fogel 1226 Coldwater Canyon Beverly Hills, CA 90210 (310) 306-4688 garyf@coastanglermagazine.com
COSTA RICA	
Mike Erickson 1500 Australian Ave. Riviera Beach, FL 33404 (561) 262-2242 mike@coastanglermagazine.com	
FLORIDA	
Naples/Marco/Everglades, FL Phil Prevoir 5508 SW 12 th Pl Cape Coral, FL 33914 (239) 257-4684 pprevoir@coastanglermagazine.com	Lakeland & Sumter Edward Snelling 123 Juniperus Drive Safety Harbor, FL 34695 (727) 266-7242 ed@coastanglermagazine.com
Tampa Bay, FL Charles Atkins 3314 Oasis Blvd. Cape Coral, FL 33914 (239) 464-5153 Chuck@coastanglermagazine.com	Northeast Florida (Jacksonville) Daniel Patrick 8119 Parkridge Circle North Jacksonville, FL 32211 (904) 742-4696 danny@coastanglermagazine.com
Fort Myers, FL Phil Prevoir 5508 SW 12 th Pl Cape Coral, FL 33914 (239) 257-4684	Daytona/Volusia, FL Brandon Shoaf 386 S. Atlantic Avenue, #1024 Ormond Beach, FL 32176 brandon@coastanglermagazine.com

<p>pprevoir@coastanglermagazine.com</p> <p>Broward County (Fort Lauderdale), FL Jeremy & Ilene Wallace 15523 Whispering Willow Drive Wellington, FL 33414 (917) 612-8275 ilene@coastanglermagazine.com</p> <p>North Central Florida Cary and Lynn Crutchfield 4010 – D Newberry Road Gainesville, FL 32607 (352) 359-0597 caryc@coastanglermagazine.com</p> <p>Florida Keys Phil Prevoir 2708 SW 35th Terr. Cape Coral, FL 33914 (239) 257-4684 pprevoir@coastanglermagazine.com</p> <p>Treasure Coast/Flahama, FL Misti and Gary Guertin 4276 SE Palmetto Street Stuart, FL 34997 (772) 285-6850 treasurecoast@coastanglermagazine.com</p> <p>Okeechobee, FL Norton & Neff LLC 3816 Divot Road Sebring, FL 33872 (863) 273-4998 don@theanglermagazine.com</p>	<p>Orlando, FL Phillip Wolf 1185 Twin Oaks Circle Oviedo, FL 32765 (407) 790-9515 phillip@coastanglermagazine.com</p> <p>Palm Beach County, FL Jeremy & Ilene Wallace 15523 Whispering Willow Drive Wellington, FL 33414 (917) 612-8275 ilene@coastanglermagazine.com</p> <p>Panama City, FL Joseph Roberts 305 Plymouth Avenue Ft. Walton Beach, FL 32547 (813) 830-8595 joey@coastanglermagazine.com</p> <p>Pensacola, FL Dustin Jackson 1009 Shelton Beach Road Saraland, AL 36571 (251) 455-4467 dustin@coastanglermagazine.com</p> <p>Sarasota/Bradenton, FL Philip E. Prevoir 2708 SW 35th Terr. Cape Coral, FL 33914 (239) 257-4684 prevoir@coastanglermagazine.com</p> <p>St. Augustine, FL Salt Run Outfitters LLC 216 N. Ocean Terrace St. Augustine, FL 32080 (904) 829-7571 eric@coastanglermagazine.com</p>
GEORGIA	
SW Georgia	

<p>Bob Rice 2281 Enterprise Rd. Madison, GA 30650 (706) 614-8231 bob@theanglermagazine.com</p>	
MASSACHUSETTS	
<p>Boston, MA BJ Finnell/George Regan Regan Publishing LLC 106 Union Wharf Boston, MA 02109 (617) 488-2840 bj@coastalanglermagazine.com</p>	<p>Gloucester, MA Richard Yuskaitis 61 Clearwater Drive Dover, NH 03820 (603) 617-2959 (305) 797-4970 rick@theanglermag.com</p>
MISSISSIPPI	
<p>Bay St. Louis Rocky Brooks 8908 Ferry Point Rd Gautier, MS 38553 rocky@coastalanglermagazine.com</p>	<p>Mississippi Gulf Coast [Biloxi Mississippi] Rocky Brooks 8908 Ferry Point Rd Gautier, MS 38553 rocky@coastalanglermagazine.com</p>
NEW HAMPSHIRE	
<p>New Hampshire, NH Richard Yuskaitis 61 Clearwater Drive Dover, NH 03820 (603) 617-2959 (305) 797-4970 rick@theanglermag.com</p>	
NORTH CAROLINA	
<p>Western NC Joe & Debra Woody 17 Oak Springs Dr. Arden NC, 28704 (828) 768-9663 woody@theanglermagazine.com</p>	<p>Outer Banks, NC Brenda Riggs 2500 West Landry Rd Virginia Beach, VA 23456 (757) 409-7518 brenda@coastalanglermagazine.com</p>
PUERTO RICO	
<p>Wilfredo Nieves 12139 Smoky Emerald Terrance Parrish, FL 34219 (786) 682-6544 freddie@coastalanglermagazine.com</p>	

SOUTH CAROLINA	
<p>Lowcountry Finn Media Group 361 Great Lawn Drive Summerville, SC 29486 (843) 628-9796 brooks@coastalanglermagazine.com</p>	
TEXAS	
<p>Houston/Galveston KVTC, LLC 900 Anders Lane, #9 Kemah, TX 77565 (281) 610-4432 kenny@coastalanglermagazine.com</p>	
VIRGIN ISLANDS	
<p>Ambokile Bassue 552 Orange Dr. #8 Altamonte Springs, FL 32701 (407)285-9453 ace@coastalanglermagazine.com</p>	

OWNED AND OPERATED BY FRANCHISOR
(as of December 31, 2024)

Brevard, FL
1980 N. Atlantic Avenue, Suite 230-17
Cocoa Beach, FL 32931
tracy@coastalanglermagazine.com

FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT YET OPENED
(as of December 31, 2024)

NONE

**EXHIBIT F
FORMER FRANCHISEES**

Franchisees whose agreements were terminated, cancelled or not renewed, or who ceased doing business during the one-year period beginning January 1, 2024 and those franchises who have not communicated with CAM since January 1, 2025 are listed in the charts below. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisee Name, City, State	Outlet Location	Date of Transfer/ Termination	Notes
ALABAMA			
Kaitlyn Benefield 3313 McNair Drive Moss Point, MS 39563 (601-508-5009)	Alabama Gulf Coast	5/20/24	Transfer to Dustin Jackson
FLORIDA			
James Thrappas 1557 Eagle View Road Osteen, FL 32764 (386) 366-3424	Daytona/Volusia	7/17/24	Transfer to Brandon Shoaf
Scott Goodman 1258 SW 37 th Street Miami, FL 33175 (786) 863-7823	Miami	10/16/24	Otherwise Ceased Operations
Jeremy Russell 414 Whirlaway Court Crestview, FL 32539 (850) 528-9213	Panama City	12/30/24	Transfer to Joseph Roberts
Jeremy Russell 414 Whirlaway Court Crestview, FL 32539 (850) 528-9213	Pensacola	11/24/24	Transfer to Dustin Jackson
GEORGIA			
Craig Glander 335 Barkere Road Dawsonville, GA 30534 (470) 214-4146	Atlanta	12/13/24	Otherwise Ceased Operations
Craig Glander 335 Barkere Road Dawsonville, GA 30534 (470) 214-4146	Northeast Georgia	12/13/24	Otherwise Ceased Operations

Exhibit G

COASTAL ANGLER MAGAZINE FRANCHISING, INC.

AUDITED FINANCIAL STATEMENTS

For the Fiscal Years Ended

December 31, 2024 and December 31, 2023

and

December 31, 2022



Coastal Angler Magazine Franchising, Inc.

FINANCIAL STATEMENTS

Year Ended December 31, 2024 and 2023

Coastal Angler Magazine Franchising, Inc.

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McCain Samons & Fiorini

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

February 24, 2025

To the Board of Directors of
Coastal Angler Magazine Franchising, Inc.
Cocoa Beach, Florida

Opinion

We have audited the financial statements of Coastal Angler Magazine Franchising, Inc., which comprise the balance sheet as of December 31, 2024 and 2023, and the related statements of earnings and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coastal Angler Magazine Franchising Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued. Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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

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

McCain Samons - Fiorini, LLC

Vero Beach, FL

Coastal Angler Magazine Franchising, Inc.

BALANCE SHEET DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Assets		
Cash and Cash Equivalents	\$ 322,306	\$ 406,832
Accounts Receivable	38,820	54,879
Inventory	6,281	6,281
Prepaid Expenses	46,902	46,902
Investment	25,000	25,000
Security Deposit	-	250
Deferred Tax Asset	48,491	62,585
Intangible Assets	66,203	66,203
Net property and equipment (note 3)	<u>176,268</u>	<u>174,505</u>
Total assets	<u><u>\$ 730,271</u></u>	<u><u>\$ 843,437</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities		
Accounts Payable and Accrued Expenses	\$ 110,209	\$ 227,309
Current Portion of Long-Term Debt	21,668	20,141
Current Portion of Contract Liability	50,488	47,034
Line of Credit	<u>61,487</u>	<u>31,487</u>
Total Current Liabilities	243,852	325,971
Contract Liability, Net of Current Portion	206,651	189,189
Long-Term Debt, Net of Current Portion	<u>84,303</u>	<u>105,621</u>
Total liabilities	<u><u>534,806</u></u>	<u><u>620,781</u></u>
Stockholders' equity		
Common stock, \$.001 par value, 10,500,000 shares authorized and issued, 7,588,666 shares outstanding	10,500	10,500
Treasury Stock (2,911,334 shares at cost)	(138,894)	(138,894)
Additional paid in capital	180,480	180,480
Retained earnings	<u>143,379</u>	<u>170,570</u>
Total shareholders' equity	<u><u>195,465</u></u>	<u><u>222,656</u></u>
Total liabilities and shareholders' equity	<u><u>\$ 730,271</u></u>	<u><u>\$ 843,437</u></u>

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

Coastal Angler Magazine Franchising, Inc.

STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Revenue		
Advertising Income	\$ 658,142	\$ 692,495
Other Income	114,387	111,896
Franchise Sales	<u>54,585</u>	<u>50,030</u>
Total revenue	827,114	854,421
Expenses		
General and Administrative Expenses	268,867	334,485
Salaries and Wages	584,298	539,132
Depreciation	<u>1,140</u>	<u>5,430</u>
Total Expenses	<u>854,305</u>	<u>879,047</u>
Other income (expense)		
Gain on Disposal of Equipment	<u>-</u>	<u>25,029</u>
Total other income (expense)	<u>-</u>	<u>25,029</u>
Net income (loss)	(27,191)	403
Retained earnings at beginning of year	<u>170,570</u>	<u>170,167</u>
Retained earnings at end of year	<u><u>\$ 143,379</u></u>	<u><u>\$ 170,570</u></u>

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

Coastal Angler Magazine Franchising, Inc.

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>
Cash flows from operating activities	
Net income (loss)	\$ (27,191)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,140
Changes in operating assets and liabilities which (used) provided cash:	
Accounts Receivable	16,060
Prepaid Expenses	-
Security Deposit	250
Accounts Payable	(117,100)
Contract Liability	<u>20,916</u>
Net cash provided by (used by) operating activities	<u>(91,831)</u>
Cash flows from investing activities	
Purchase of Fixed Assets	<u>(2,903)</u>
Net cash provided by (used by) investing activities	<u>(2,903)</u>
Cash flows from financing activities	
Line of Credit Draw	30,000
Repayment of Debt	<u>(19,792)</u>
Net cash provided by (used by) financing activities	<u>10,208</u>
Net increase (decrease) in cash and cash equivalents	(84,526)
Cash and cash equivalents, beginning of year	<u>406,832</u>
Cash and cash equivalents, end of year	<u><u>\$ 322,306</u></u>

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

Coastal Angler Magazine Franchising, Inc.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2024 AND 2023

	Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings (Deficit)
	Shares	Amount		Shares	Amount	
Balance, December 31, 2023	10,500,000	\$ 10,500	\$ 180,480	3,011,334	\$ 138,894	\$ 170,570
Net Income	-	-	-	(100,000)	-	(27,191)
Balance, December 31, 2024	<u>10,500,000</u>	<u>\$ 10,500</u>	<u>\$ 180,480</u>	<u>2,911,334</u>	<u>\$ 138,894</u>	<u>\$ 143,379</u>

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

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF BUSINESS

Coastal Angler Magazine Franchising, Inc. (the Company) is a Florida corporation incorporated on April 11, 2008. The Company is engaged in franchising a business known as "Coastal Angler Magazine" and "The Angler Magazine" which offers a monthly print publication through a uniform system consisting of editorial compilation, advertising sales, circulation formulas and promotional endeavors under a branded business format. Franchises in operation are nationwide and internationally with concentrations in Florida, the Gulf Coast East Coast and Great Lakes regions.

The Company receives royalties from its franchisees of 8% of franchisee's gross revenues. The Company also has the right to receive 2% of gross receipts from franchisees to provide national advertising and promotion for the benefit of the franchisees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred.

Use of Estimates

The preparation of financial statement in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances could result in revised estimates and assumptions.

Revenue Recognition

The Company recognizes revenue from publication sales upon shipment to end-user franchisees. Revenues are recorded when printed magazines are shipped with shipping terms of FOB shipping point. Income from royalties and national advertising fees are recognized monthly as earned.

Franchise, transfer and upgrade fees are recorded as income upon completion of all performance obligations of the company under the franchise license agreement. The following performance obligations have been identified in connection with the franchise license agreement: full use of the service marks, trademarks, franchise system, etc. for a period no shorter than 10 years, distributing franchise material and training franchise personnel.

There was no revenue from barter transactions involving the exchange of advertising in the magazine for the year ended December 31, 2024 nor 2023.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

Printing, Shipping, and Handling Costs

The Company includes printing production, shipping, and freight costs in cost of operations. Franchisees are billed for their portion of these costs based on the number of pages and number of copies of the local magazine. These amounts are offset against the printing, shipping and freight expense included in costs of operations.

Cash and Cash Equivalents

All highly liquid investments with an original maturity of 90 days or less at the time of purchase are considered to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

Accounts Receivable

Accounts receivable are recorded at the original invoice amount less an estimate made for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the industry, and the financial stability of its customers. Accounts receivable are written off when they are determined to be uncollectible. Recoveries of accounts receivable previously written off are recorded when received. There was no allowance for doubtful accounts at December 31, 2024.

Inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed principally by accelerated and straight-line methods and based on the estimated useful lives of the related assets, which ranges from 5 to 10 years. Repairs and maintenance is expensed when incurred.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective bases, and to net operating loss carry forwards, measured by enacted tax rates for years in which taxes are expected to be paid or recovered.

The Company has no uncertain tax positions that it has taken and believes that it can defend its tax return in any jurisdiction. With few exceptions, the Company is no longer subject to income tax examinations by the U.S., federal, state or local tax authorities for years before 2021.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

Fair Value of Financial Instruments

The Company estimates that the fair value of all financial instruments as of December 31, 2024, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Concentration of Risk

The Company maintains a deposit in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. Uninsured cash as of December 31, 2023 was \$157,024, and \$76,676 as of December 31, 2024. The Company believes there isn't a significant risk with respect to these deposits. The Company has not experienced any losses on its deposits with financial institutions.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs for the year ended December 31, 2023 were \$67,590 and \$41,590 as of December 31, 2024.

Subsequent Events

In preparing these financial statements, Coastal Angler Magazine Franchising, Inc. has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2024, the most recent statement of financial position presented herein, through February 24, 2025, the date these financial statements were available to be issued. No significant such events or transactions were identified.

3. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following at December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Vehicles and equipment	\$ 69,634	\$ 2,903	\$ -	\$ 72,537
Furniture and fixtures	131,820	-	-	131,820
Computer equipment	19,690	-	-	19,690
Total property and equipment	221,144	2,903	-	224,047
Less: Accumulated depreciation	(46,639)	(1,140)	-	(47,779)
Net property and equipment	<u>\$ 174,505</u>	<u>\$ 1,763</u>	<u>\$ -</u>	<u>\$ 176,268</u>

Depreciation expense was \$1,763 for the year ended December 31, 2024.

4. LINE OF CREDIT

The Company has a line of credit with \$110,000 available. The line of credit had an outstanding balance at December 31, 2023 of \$33,900 and \$61,486 as of December 31, 2024. The line of credit carries an annual interest rate at prime plus 1% and is secured by a security agreement on the assets of the Company.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT

Long-term debt consists of the following:

Note Payable - Vehicle, monthly payments of approximately \$847, including interest at 8.49% to 2028. Secured by vehicle.	\$ 29,416
Note Payable - Vehicle, monthly payments of approximately \$1,462, including interest at 6.00% to 2030. Secured by vehicle.	<u>76,555</u>
Less: Current Portion	<u>(21,668)</u>
	<u>\$ 84,303</u>

Maturities of long-term debt are as follows for the years ended December 31,

<u>Years</u>	<u>Amount</u>
2025	\$ 21,668
2026	22,846
2027	24,486
2028	18,996
2029 and thereafter	<u>17,975</u>
	<u>\$ 105,971</u>

6. FRANCHISES

Listed below is the Company's activity regarding its franchises (including one Company owned location) for the year ended December 31, 2024. In some instances, multiple individual franchises may be operated as combined franchises with the same owner.

Franchies in operation, beginning of year	34
Franchises opened	3
Franchises not renewed	<u>(3)</u>
Franchises in operation, end of year	34

7. INCOME TAX

The Company has timing differences between financial and tax reporting. The financial statements are prepared on the Percentage of Completion (POC) method and the tax return is prepared on the Accrual - without Retainage Method. Timing differences at December 31, 2024 were approximately \$21,000. The Company reported a deferred tax asset at approximately \$48,000 at December 31, 2024.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

8. FASS ASC 606 NEW ACCOUNTING GUIDANCE ADOPTION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, Other Assets and Deferred Costs-Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance." The Company adopted the requirements of the new guidance as of January 1, 2019.

COASTAL ANGLER MAGAZINE FRANCHISING, INC.

FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022



Coastal Angler Magazine Franchising, Inc.

FINANCIAL STATEMENTS

Year Ended December 31, 2023 and 2022

Coastal Angler Magazine Franchising, Inc.

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INDEPENDENT AUDITORS' REPORT

February 26, 2024

To the Board of Directors of
Coastal Angler Magazine Franchising, Inc.
Cocoa Beach, Florida

Opinion

We have audited the financial statements of Coastal Angler Magazine Franchising, Inc., which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of earnings and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Coastal Angler Magazine Franchising, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coastal Angler Magazine Franchising Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued. Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Use professional judgment and exercise professional skepticism throughout the audit.

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

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

McCain and Samons LLC

Vero Beach, FL

Coastal Angler Magazine Franchising, Inc.

BALANCE SHEET DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Assets		
Cash and Cash Equivalents	\$ 406,832	\$ 279,751
Accounts Receivable	54,879	46,858
Inventory	6,281	6,281
Prepaid Expenses	46,902	17,894
Investment	25,000	25,000
Security Deposit	250	725
Deferred Tax Asset	62,585	62,585
Intangible Assets	66,203	66,203
Net property and equipment (note 3)	<u>174,505</u>	<u>194,179</u>
Total assets	<u><u>\$ 843,437</u></u>	<u><u>\$ 699,476</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities		
Accounts Payable and Accrued Expenses	\$ 227,309	\$ 179,563
Current Portion of Long-Term Debt	20,141	12,593
Current Portion of Contract Liability	47,034	43,531
Line of Credit	<u>31,487</u>	<u>22,750</u>
Total Current Liabilities	325,971	258,437
Contract Liability, Net of Current Portion	189,189	182,223
Long-Term Debt, Net of Current Portion	<u>105,621</u>	<u>36,563</u>
Total liabilities	<u>620,781</u>	<u>477,223</u>
Stockholders' equity		
Common stock, \$.001 par value, 10,500,000 shares authorized and issued, 7,7488,666 shares outstanding	10,500	10,500
Treasury Stock (2,761,334 shares at cost)	(138,894)	(138,894)
Additional paid in capital	180,480	180,480
Retained earnings	<u>170,570</u>	<u>170,167</u>
Total share holders' equity	<u>222,656</u>	<u>222,253</u>
Total liabilities and share holders' equity	<u><u>\$ 843,437</u></u>	<u><u>\$ 699,476</u></u>

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

Coastal Angler Magazine Franchising, Inc.

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue		
Advertising Income	\$ 692,495	\$ 918,424
Other Income	111,896	105,983
Franchise Sales	<u>50,030</u>	<u>66,203</u>
Total revenue	854,421	1,090,610
Expenses		
General and Administrative Expenses	334,485	531,196
Salaries and Wages	539,132	578,842
Depreciation	<u>5,430</u>	<u>26,206</u>
Total Expenses	<u>879,047</u>	<u>1,136,244</u>
Other income (expense)		
Income Tax Benefit	-	58,000
Gain on Disposal of Equipment	<u>25,029</u>	<u>25,662</u>
Total other income (expense)	<u>25,029</u>	<u>83,662</u>
Net income (loss)	403	38,028
Retained earnings at beginning of year	<u>170,167</u>	<u>132,139</u>
Retained earnings at end of year	<u>\$ 170,570</u>	<u>\$ 170,167</u>

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

Coastal Angler Magazine Franchising, Inc.

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>
Cash flows from operating activities	
Net income (loss)	\$ 403
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	5,430
Changes in operating assets and liabilities which (used) provided cash:	
Accounts Receivable	(8,020)
Prepaid Expenses	(29,008)
Security Deposit	475
Accounts Payable	47,746
Contract Liability	10,469
Net cash provided by (used by) operating activities	<u>27,495</u>
Cash flows from investing activities	
Exchange of Fixed Assets	14,243
Net cash provided by (used by) investing activities	<u>14,243</u>
Cash flows from financing activities	
New Debt	99,800
Line of Credit Draw	8,737
Repayment of Debt	(23,194)
Net cash provided by (used by) financing activities	<u>85,343</u>
Net increase (decrease) in cash and cash equivalents	127,081
Cash and cash equivalents, beginning of year	279,751
Cash and cash equivalents, end of year	<u><u>\$ 406,832</u></u>

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

Coastal Angler Magazine Franchising, Inc.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2023 AND 2022

	Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings (Deficit)
	Shares	Amount		Shares	Amount	
Balance, December 31, 2022	10,500,000	\$ 10,500	\$ 180,480	3,011,334	\$ 138,894	\$ 170,167
Net Income	-	-	-	-	-	403
Balance, December 31, 2023	<u>10,500,000</u>	<u>\$ 10,500</u>	<u>\$ 180,480</u>	<u>3,011,334</u>	<u>\$ 138,894</u>	<u>\$ 170,570</u>

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

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF BUSINESS

Coastal Angler Magazine Franchising, Inc. (the Company) is a Florida corporation incorporated on April 11, 2008. The Company is engaged in franchising a business known as "Coastal Angler Magazine" and "The Angler Magazine" which offers a monthly print publication through a uniform system consisting of editorial compilation, advertising sales, circulation formulas and promotional endeavors under a branded business format. Franchises in operation are nationwide and internationally with concentrations in Florida, the Gulf Coast East Coast and Great Lakes regions.

The Company receives royalties from its franchisees of 8% of franchisee's gross revenues. The Company also has the right to receive 2% of gross receipts from franchisees to provide national advertising and promotion for the benefit of the franchisees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred.

Use of Estimates

The preparation of financial statement in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances could result in revised estimates and assumptions.

Revenue Recognition

The Company recognizes revenue from publication sales upon shipment to end-user franchisees. Revenues are recorded when printed magazines are shipped with shipping terms of FOB shipping point. Income from royalties and national advertising fees are recognized monthly as earned.

Franchise, transfer and upgrade fees are recorded as income upon completion of all performance obligations of the company under the franchise license agreement. The following performance obligations have been identified in connection with the franchise license agreement: full use of the service marks, trademarks, franchise system, etc. for a period no shorter than 10 years, distributing franchise material and training franchise personnel.

There was no revenue from barter transactions involving the exchange of advertising in the magazine for the year ended December 31, 2023 nor 2022.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

Printing, Shipping, and Handling Costs

The Company includes printing production, shipping, and freight costs in cost of operations. Franchisees are billed for their portion of these costs based on the number of pages and number of copies of the local magazine. These amounts are offset against the printing, shipping and freight expense included in costs of operations.

Cash and Cash Equivalents

All highly liquid investments with an original maturity of 90 days or less at the time of purchase are considered to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

Accounts Receivable

Accounts receivable are recorded at the original invoice amount less an estimate made for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the industry, and the financial stability of its customers. Accounts receivable are written off when they are determined to be uncollectible. Recoveries of accounts receivable previously written off are recorded when received. There was no allowance for doubtful accounts at December 31, 2023.

Inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed principally by accelerated and straight-line methods and based on the estimated useful lives of the related assets, which ranges from 5 to 10 years. Repairs and maintenance is expensed when incurred.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective bases, and to net operating loss carry forwards, measured by enacted tax rates for years in which taxes are expected to be paid or recovered.

The Company has no uncertain tax positions that it has taken and believes that it can defend its tax return in any jurisdiction. With few exceptions, the Company is no longer subject to income tax examinations by the U.S., federal, state or local tax authorities for years before 2020.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

Fair Value of Financial Instruments

The Company estimates that the fair value of all financial instruments as of December 31, 2023, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Concentration of Risk

The Company maintains a deposit in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. Uninsured cash as of December 31, 2022 was \$41,044, and \$157,024 as of December 31, 2023. The Company believes there isn't a significant risk with respect to these deposits. The Company has not experienced any losses on its deposits with financial institutions.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs for the year ended December 31, 2022 were \$63,012 and \$67,590 as of December 31, 2023.

Subsequent Events

In preparing these financial statements, Coastal Angler Magazine Franchising, Inc. has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2023, the most recent statement of financial position presented herein, through February 26, 2024, the date these financial statements were available to be issued. No significant such events or transactions were identified.

3. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following at December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Vehicles and equipment	\$ 107,797	\$ 2,728	\$ (40,891)	\$ 69,634
Furniture and fixtures	131,820	-	-	131,820
Computer equipment	19,690	-	-	19,690
Total property and equipment	259,307	2,728	(40,891)	221,144
Less: Accumulated depreciation	(65,128)	(5,430)	23,919	(46,639)
Net property and equipment	<u>\$ 194,179</u>	<u>\$ (2,702)</u>	<u>\$ (16,972)</u>	<u>\$ 174,505</u>

Depreciation expense was \$5,430 for the year ended December 31, 2023.

4. LINE OF CREDIT

The Company has a line of credit with \$50,000 available. The line of credit had an outstanding balance at December 31, 2022 of \$22,750 and \$33,900 as of December 31, 2023. The line of credit carries an annual interest rate at prime plus 3.5% and is secured by a security agreement on the assets of the Company.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM DEBT

Long-term debt consists of the following:

Note Payable - Vehicle, monthly payments of approximately \$847, including interest at 8.49% to 2028. Secured by vehicle.	\$ 36,746
Note Payable - Vehicle, monthly payments of approximately \$1,462, including interest at 6.00% to 2030. Secured by vehicle.	<u>89,016</u>
Less: Current Portion	<u>(20,141)</u>
	<u>\$ 105,621</u>

Maturities of long-term debt are as follows for the years ended December 31,

<u>Years</u>	<u>Amount</u>
2024	\$ 20,141
2025	21,318
2026	22,846
2027	24,486
2028	18,996
Thereafter	<u>17,975</u>
	<u>\$ 125,762</u>

6. FRANCHISES

Listed below is the Company's activity regarding its franchises for the year ended December 31, 2023. In some instances, multiple individual franchises may be operated as combined franchises with the same owner.

Franchises in operation, beginning of year	34
Franchises opened	1
Franchises not renewed	<u>(1)</u>
Franchises in operation, end of year	34

7. INCOME TAX

The Company has timing differences between financial and tax reporting. The financial statements are prepared on the Percentage of Completion (POC) method and the tax return is prepared on the Accrual - without Retainage Method. Timing differences at December 31, 2023 were approximately \$11,000. The Company reported a deferred tax asset at approximately \$52,000 at December 31, 2023.

Coastal Angler Magazine Franchising, Inc.

NOTES TO FINANCIAL STATEMENTS

8. FASS ASC 606 NEW ACCOUNTING GUIDANCE ADOPTION

The Financial Accounting Standards Board (FASS) issued new guidance that created Topic 606, Revenue from Contracts with Customers, In the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASS ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled In exchange for those goods or services. The new guidance also added Subtopic 340-40, Other Assets and Deferred Costs-Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance." The Company adopted the requirements of the new guidance as of January 1, 2019

COASTAL ANGLER MAGAZINE FRANCHISING, INC.

FINANCIAL STATEMENTS

December 31, 2021

COASTAL ANGLER MAGAZINE FRANCHISING, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Coastal Angler Magazine Franchising, Inc.
Melbourne, Florida

Opinion

We have audited the accompanying financial statements of Coastal Angler Magazine Franchising, Inc. (the 'Company'), which comprise the balance sheet as of December 31, 2021, the related statements of earnings and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coastal Angler Magazine Franchising, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Marsocci, Appleby & Company P.A

Marsocci, Appleby & Company, P.A.
Tampa, Florida
January 25, 2022

COASTAL ANGLER MAGAZINE FRANCHISING, INC.
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash	\$ 382,911
Accounts receivable	55,249
Inventory	6,463
	6,463

Total current assets 444,623

SECURITY DEPOSITS

620

DEFERRED TAX ASSET

4,585

INTANGIBLE ASSETS

66,203

PROPERTY AND EQUIPMENT, net

185,703

TOTAL ASSETS **\$ 701,734**

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 135,144
Current portion of long-term debt	82,244
Current portion of contract liability	56,753
	56,753

Total current liabilities 274,141

CONTRACT LIABILITY, net of current portion

140,704

LONG-TERM DEBT, net of current portion

91,415

Total liabilities 506,260

STOCKHOLDERS' EQUITY:

Common stock, \$.001 par value (10,500,000 shares authorized and issued, 7,738,666 shares outstanding)	10,500
Treasury stock (2,761,334 shares at cost)	(127,645)
Additional paid in capital	180,480
Retained earnings	132,139
	132,139

Total Stockholders' equity 195,474

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY **\$ 701,734**

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

**COASTAL ANGLER MAGAZINE FRANCHISING, INC.
STATEMENT OF EARNINGS AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

REVENUES:

Advertising income	\$ 789,334
Other income	102,330
Franchise sales	<u>68,690</u>
Total revenues	<u>960,354</u>

EXPENSES:

General and administrative expenses	319,881
Salaries and wages	525,020
Depreciation	<u>22,001</u>
Total expenses	<u>866,902</u>

Other income:

Income tax benefit	49,000
Gain on trade in of property and equipment	4,000
Grant income - PPP	<u>98,260</u>
Total other income	<u>151,260</u>

NET EARNINGS

244,712

ACCUMULATED DEFICIT, beginning of year

(112,573)

RETAINED EARNINGS, end of year

\$ 132,139

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

COASTAL ANGLER MAGAZINE FRANCHISING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net earnings	\$ 244,712
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation	22,001
Gain on trade in of property and equipment	(4,000)
Changes in operating assets and liabilities:	
Accounts receivable	7,255
Security deposits	630
Deferred tax asset	(4,585)
Accounts payable and accrued expenses	(21,015)
Deferred tax liability	(44,415)
Contract liability	<u>(38,690)</u>
Net cash provided by operating activities	<u>161,893</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Purchase of treasury stock	(3,000)
Repayment of long-term debt	<u>(100,879)</u>
Net cash used in financing activities	<u>(103,879)</u>
NET INCREASE IN CASH	58,014
CASH, beginning of year	<u>324,897</u>
CASH, end of year	<u><u>\$ 382,911</u></u>
SUPPLEMENTAL DISCLOSURES:	
Interest paid during the year	<u><u>\$ 6,716</u></u>
Property and equipment purchased through long-term debt	<u><u>\$ 49,016</u></u>

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

**COASTAL ANGLER MAGAZINE FRANCHISING, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Common Stock</u>		<u>Additional Paid In Capital</u>	<u>Treasury Stock</u>		<u>Retained Earnings (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>		<u>Shares</u>	<u>Amount</u>	
Balance, December 31, 2020	10,500,000	\$ 10,500	\$ 180,480	2,461,334	\$ 124,645	\$ (112,573)
Net Income	-	-	-	300,000	3,000	244,712
Balance, December 31, 2021	<u>10,500,000</u>	<u>\$ 10,500</u>	<u>\$ 180,480</u>	<u>2,761,334</u>	<u>\$ 127,645</u>	<u>\$ 132,139</u>

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

**COASTAL ANGLER MAGAZINE FRANCHISING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operation

Coastal Angler Magazine Franchising, Inc. (the "Company") is a Florida corporation organized in March of 2008. The Company is engaged in franchising a business known as "Coastal Angler Magazine" which offers a monthly print publication through a uniform system consisting of editorial compilation, advertising sales, circulation formulas and promotional endeavors under a branded business format. Franchises in operation are nationwide and internationally with concentrations in Florida, the Gulf Coast, East Coast and Great Lakes regions.

The Company receives royalties from its franchisees of 8% of franchisee's gross revenues. The Company also has the right to receive 2% of gross receipts from franchisees to provide national advertising and promotion for the benefit of the franchisees.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred.

Use of Estimates

The preparation of financial statement in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results and outcomes could differ from those estimates and assumptions. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances could result in revised estimates and assumptions.

Revenue Recognition

The Company recognizes revenue from publication sales upon shipment to end-user franchisees. Revenues are recorded when printed magazines are shipped with shipping terms of FOB shipping point. Income from royalties and national advertising fees are recognized monthly as earned.

Franchise, transfer and upgrade fees are recorded as income upon completion of all performance obligations of the company under the franchise license agreement. The following performance obligations have been identified in connection with the franchise license agreement: full use of the service marks, trademarks, franchise system, etc. for a period no shorter than 10 years, distributing franchise material and training franchise personnel.

There was no revenue from barter transactions involving the exchange of advertising in the magazine for the year ended December 31, 2021.

Printing, Shipping, and Handling Costs

The Company includes printing production, shipping, and freight costs in cost of operations. Franchisees are billed for their portion of these costs based on the number of pages and number of copies of the local magazine. These amounts are offset against the printing, shipping and freight expense included in costs of operations.

Cash and Cash Equivalents

All highly liquid investments with an original maturity of 90 days or less at the time of purchase are considered to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

COASTAL ANGLER MAGAZINE FRANCHISING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Accounts Receivable

Accounts receivable are recorded at the original invoice amount less an estimate made for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the industry, and the financial stability of its customers. Accounts receivable are written off when they are determined to be uncollectible. Recoveries of accounts receivable previously written off are recorded when received. There was no allowance for doubtful accounts at December 31, 2021.

Inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed principally by accelerated and straight-line methods and based on the estimated useful lives of the related assets. Repairs and maintenance is expensed when incurred.

<u>Assets</u>	<u>Years</u>
Vehicles and equipment	5 - 10
Furniture and fixtures	7
Computer equipment	5 - 10

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective bases, and to net operating loss carry forwards, measured by enacted tax rates for years in which taxes are expected to be paid or recovered.

The Company has no uncertain tax positions that it has taken and believes that it can defend its tax return in any jurisdiction. With few exceptions, the Company is no longer subject to income tax examinations by the U.S., federal, state or local tax authorities for years before 2018.

Fair Value of Financial Instruments

The Company estimates that the fair value of all financial instruments as of December 31, 2021, do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

Concentration of Risk

The Company maintains a deposit in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The Company believes there isn't a significant risk with respect to these deposits. The Company has not experienced any losses on its deposits with financial institutions.

**COASTAL ANGLER MAGAZINE FRANCHISING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs for the year ended December 31, 2021 were \$67,070.

NOTE B - PROPERTY AND EQUIPMENT:

Vehicles and equipment consist of the following:

Vehicles and equipment	\$	256,752
Furniture and fixtures		4,521
Computer equipment		17,968
		279,241
Less: accumulated depreciation		(93,538)
		\$ 185,703

Depreciation expense amounted to \$22,001 for the year ended December 31, 2021.

NOTE C - LINE OF CREDIT:

The Company has a line of credit with \$50,000 available. The line of credit had no outstanding balance at December 31, 2021. The line of credit carries an annual interest rate at 6.75% and is secured by a security agreement on the assets of the Company.

NOTE D - LONG-TERM DEBT:

Long-term debt consists of the following:

Note Payable - Vehicle, monthly payments of approximately \$541, including interest at 7.74% to 2023. Secured by vehicle.	\$	11,803
Note Payable - Vehicle, monthly payments of approximately \$1,142, including interest at 5.61% to 2026. Secured by vehicle.		53,421
Note Payable - Vehicle, monthly payments of approximately \$847, including interest at 8.49% to 2028. Secured by vehicle.		49,016
Notes Payable - Forbearance, monthly payments of approximately \$7,525, including interest at 3.5% to 2022.		59,419
		173,659
Less: current portion		(82,244)
		\$ 91,415

**COASTAL ANGLER MAGAZINE FRANCHISING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE D - LONG-TERM DEBT (CONTINUED):

Maturities of long-term debt are as follows for the years ended December 31.:

<u>YEARS</u>	<u>AMOUNT</u>
2022	\$ 82,244
2023	23,842
2024	19,232
2025	20,546
2026	12,811
Thereafter	<u>14,984</u>
	<u>\$ 173,659</u>

NOTE E - FRANCHISES:

Listed below is the Company's activity regarding its franchises for the year ended December 31, 2021. In some instances, multiple individual franchises may be operated as combined franchises with the same owner.

Franchises in operation, beginning of year	33
Franchises opened	2
Franchises not renewed	<u>(2)</u>
Franchises in operation, end of year	<u>33</u>

NOTE F - FRANCHISE SALES:

Contract revenue was \$30,000 for the year ending December 31, 2021. Revenue from performance obligations on contracts is recognized over time and consists of the initial franchise fees from the sales of franchises.

NOTE G - INCOME TAXES:

Income tax benefit consists of the following:

Federal	\$ -
State	
Deferred	<u>49,000</u>
	<u>\$ 49,000</u>

The Company has timing differences between financial and tax reporting. The financial statements are prepared on the Percentage of Completion (POC) method and the tax return is prepared on the Accrual – without Retainage Method. Timing differences at December 31, 2021 were approximately \$19,000. The Company reported a deferred tax asset at approximately \$4,500 at December 31, 2020.

**EXHIBIT H
RECEIPT FOR COMPLETED DOCUMENTS**

IF COASTAL ANGLER MAGAZINE OFFERS YOU A FRANCHISE, COASTAL ANGLER MAGAZINE MUST PROVIDE YOU WITH COMPLETED COPIES OF THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS TO BE EXECUTED BY THE PARTIES AT LEAST SEVEN CALENDAR DAYS BEFORE YOU SIGN THE AGREEMENTS.

I have received one copy of each of the following agreements (check those that apply):

- Exhibit B - State Law Addendum
- Exhibit C - Coastal Angler Magazine's Franchise Agreement and its attached Exhibits:
 - Exhibit 1 - Territory Description (with blanks filled in)
 - Exhibit 2 - Personal Guaranty (form with blanks)
 - Exhibit 3 - Non-Disclosure and Non-Competition Agreement (form with blanks)
 - Exhibit 4 - Addendums Required by State Law
 - Exhibit 5 - General Release

Copy(ies) of Exhibit 2 - the Personal Guaranty of the Franchise Agreement (with blanks filled in) for the following individuals:

- _____
- _____
- _____

Copy(ies) of Exhibit 3 - the Non-Disclosure and Non-Competition Agreement (with blanks filled in) for the following individuals:

- _____
- _____
- _____

- Exhibit I - Confirmation of Sales Procedures (form with blanks to be filled in by Franchisee at closing)

I received these documents on _____, 20__.

Coastal Angler Magazine has provided these documents to me for informational purposes. My signing this receipt does not obligate me in any way, and does not obligate Coastal Angler Magazine to grant me a franchise.

Individually and, if applicable, as an officer, partner
or manager of and on behalf of

- a _____ corporation,
- a _____ partnership,
- a _____ limited liability company.

SUBSCRIBED AND SWORN to before me this ___ day of _____, 20__.

Notary Public

My Commission Expires:

**EXHIBIT H
RECEIPT FOR COMPLETED DOCUMENTS**

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Exhibit 4 - Addendums Required by State Law
Exhibit 5 - General Release

Copy(ies) of Exhibit 2 - the Personal Guaranty of the Franchise Agreement (with blanks filled in) for the following individuals:

- _____

Copy(ies) of Exhibit 3 - the Non-Disclosure and Non-Competition Agreement (with blanks filled in) for the following individuals:

- _____

- Exhibit I - Confirmation of Sales Procedures (form with blanks to be filled in by Franchisee at closing)

I received these documents on _____, 20__.

Coastal Angler Magazine has provided these documents to me for informational purposes. My signing this receipt does not obligate me in any way, and does not obligate Coastal Angler Magazine to grant me a franchise.

Individually and, if applicable, as an officer, partner or manager of and on behalf of

- a _____ corporation,
a _____ partnership,
a _____ limited liability company.

SUBSCRIBED AND SWORN to before me this ___ day of _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT I

CONFIRMATION OF SALES PROCEDURES

I hereby confirm the following facts to Coastal Angler Magazine Franchising, Inc. Franchise Corporation (“Coastal Angler Magazine”) and to its Officers, Directors and Management, on behalf of myself personally, and if applicable, as an Officer, Partner or Manager of a corporation, partnership or limited liability company and on its behalf:

- 1. Date I received a copy of the Franchise Disclosure Document dated February 24, 2025 of Coastal Angler Magazine and the following Exhibits attached thereto: _____ Date
 - Exhibit A – State Agencies _____ Initial
 - Exhibit B – State Law Addendum
 - Exhibit C – Franchise Agreement and its Exhibits
 - 1 – Territory
 - 2 – Guaranty
 - 3 – Non-Disclosure and Non-Competition Agreement
 - 4 – Addendums Required by State Law
 - 5 – General Release
 - Exhibit D – Tables of Contents of Operations Manual
 - Exhibit E – Current Franchisees
 - Exhibit F – Former Franchisees
 - Exhibit G – Financial Statements
 - Exhibit H – Receipt for Completed Documents
 - Exhibit I – Confirmation of Sales Procedures
 - Exhibit J – Agents for Service of Process
 - State Effective Dates
 - Receipts

- 2. Date I received copies of the Supplemental Disclosures to the Franchise Disclosure Document of Coastal Angler Magazine dated February 24, 2025 and any attached Exhibits. _____ Date
_____ Initial

- 5. Date of my first face-to-face meeting with any salesman, agent or Officer of Coastal Angler Magazine or its franchise broker (name of salesman, agent or broker: _____). _____ Date
_____ Initial

- 6. If I am purchasing a location from Coastal Angler Magazine or its affiliates that was previously owned by a franchisee in the past five years, I have received the following information on this date: the former franchisee's contact information, the time period and that the franchisee controlled the location, the reason for the ownership change and the length of time that Coastal Angler Magazine controlled the location. _____ Date
_____ Initial

7. Date I received copies of the State Law Addendum (except for signatures) with all blanks filled in. _____
Date

Initial

8. Date I received copies of the Franchise Agreement with its attached Exhibits (check the boxes and fill in the names for those you received), each completed (except for signature) with all blanks filled in where applicable: _____
Date

Initial

Franchise Agreement and its attached Exhibits:

- Exhibit 1 – Terms (with blanks filled in)
- Exhibit 2 – Guaranty (form with blanks)
- Exhibit 3 – Non-Disclosure and Non-Competition Agreement (form with blanks)
- Exhibit 4 – Addendums Required by State Law
- Exhibit 5 – General Release

Copy(ies) of Exhibit 2 - the Guaranty of the Franchise Agreement (with blanks filled in) for the following individuals:

Copy(ies) of Exhibit 3 - the Non-Disclosure and Non-Competition Agreement (with blanks filled in) for the following individuals:

9. Date I actually signed the Franchise Agreement and the other documents checked in questions 6-8 above. _____
Date

Initial

10. Date first payment was made to COASTAL ANGLER MAGAZINE: _____
Date

Initial

State Specific Disclosure:

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

Dated: _____, 20____

(Name Printed or Typed)

Street Address

City, State, Zip

Signature as an Individual and on Behalf of:

a _____ corporation

a _____ partnership

or a _____ limited liability company

EXHIBIT J
AGENTS FOR SERVICE OF PROCESS

Coastal Angler Magazine Franchising, Inc.'s statutory agent for service of process in Florida, its state of incorporation is:

Claude B. Martin
1980 N. Atlantic Avenue
Ste 230-17
Cocoa Beach, FL 32931

In addition, we have a statutory agent for service of process in the following states:

California	California Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 W. 4 th Street, Suite 750 Los Angeles, California 90013-2344 Toll-Free (866) 275-2677
Hawaii	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
Indiana	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
Maryland	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-7786
New York	Secretary of State 99 Washington Avenue New York, New York 12201 (518) 473-2492
Rhode Island	Rhode Island Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 462-9527

Virginia	The Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions 150 Israel Road SW Tumwater, Washington 98501-6456 (360) 902-8760
Wisconsin	Wisconsin Division of Corporate and Consumer Services Department of Financial Institutions 4822 Madison Yards Way North Tower Madison, Wisconsin 53705 (608) 261-9555

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
Indiana	
Michigan	
New York	
Rhode Island	
Wisconsin	

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

RECEIPTS

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 Coastal Angler Magazine Franchising, Inc offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale or grant.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days, before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Coastal Angler Magazine Franchising, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement or material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C., 20580, and your state agency listed in the state agencies exhibit.

The name, principal business address and telephone number of each franchise seller offering the franchise is: C. Ben Martin, 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931 and

Issuance Date: February 24, 2025

The date of issuance is not the effective date in CA, HI, IL, IN, MD, MI, MN, NE, NY, ND, RI, SD, VA WA OR WI. The effective dates for these filings are listed on the State Effective Dates page.

See Exhibit J for our registered agents authorized to receive service of process.

On _____, I received a disclosure document dated February 24, 2025, that included the following Exhibits:

Exhibit A	State Agencies	Exhibit D	Table of Contents Operations Manual
Exhibit B	State Law Addendum	Exhibit E	Current Franchisees
Exhibit C	Franchise Agreement and Attached Exhibits:	Exhibit F	Former Franchisees
	1. Territory Description	Exhibit G	Financial Statements
	2. Personal Guaranty	Exhibit H	Receipt for Completed Documents
	3. Non-Disclosure and Non-Competition Agreement	Exhibit I	Confirmation of Sales Procedures
	4. Addendums Required by State Law	Exhibit J	Agents for Service of Process
	5. General Release	SED	State Effective Dates
		RCPT	Receipts

Please sign this copy of the receipt, date your signature, and return it to Coastal Angler Magazine Franchising, Inc., 1980 N. Atlantic Avenue, Suite 230-17, Cocoa Beach, Florida 32931. This disclosure document is also available in .pdf format by request.

Dated: _____, 20__.

Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

a _____ corporation

a _____ partnership

a _____ limited liability company

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20__.

My commission expires:

Notary Public

PH 3933422.1 03/25 A: 3926400.1 E: 3933409.1 I: 3933418.1
B: 3926469.1 F: 3933480.1 J: 3926523.1
FDD: 3933399.1 C: 3926425.1 G: 3949039.1 SED: 3933420.1
D: 3933407.1 H: 3933413.1 RCPT: 3933422.1

**PROSPECTIVE
FRANCHISEE'S COPY**

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FDD: 3933399.1	C: 3926425.1	G: 3949039.1	SED: 3933420.1
	D: 3933407.1	H: 3933413.1	RCPT: 3933422.1

FRANCHISOR'S COPY