#### FRANCHISE DISCLOSURE DOCUMENT





N2 Franchising, Inc. a Delaware corporation 9151 Currency Street Irving, Texas 75063 844-343-5378 legal@n2co.com www.strollmag.com https://greetmag.com/

You will operate a business that sells advertising to businesses that wish to advertise in print magazines, newsletters, and/or directories for residential communities, cities, towns, and villages under the STROLL or GREET trade name and business system, sells digital advertising services, organizes local events, solicits and compiles content for a publication, and facilitates the publishing of a STROLL or GREET publication ("Franchised Business").

The total investment necessary to begin operation of a STROLL or GREET franchise is \$2,010 to \$12,560. This includes \$735 that must be paid to us or our 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, the franchisor or an affiliate in connection with the proposed franchise sale.

Note, however, that no governmental agency has verified the information contained in this document. The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

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

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

Date of Issuance: October 12, 2024

## **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 C and D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only STROLL or GREET business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a STROLL or GREET franchisee?	Item 20 or Exhibits C and D 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

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

<u>Business model can change.</u> 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.

<u>Supplier restrictions.</u> 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.

<u>Operating restrictions.</u> 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.

<u>Competition from franchisor.</u> 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.

<u>When your franchise ends.</u> 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 I.

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

## Special Risks to Consider About This Franchise

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

- 1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
- 2. <u>Sales Performance Required</u>. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
- **Turnover Rate**. From July 1, 2021 through June 30, 2024, 1,140 franchised outlets were transferred, terminated, acquired by the franchisor, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
- **Pricing of Customer Accounts.** The franchisor determines the amount to be charged for your services. You have no say in that determination. If the franchisor prices an account too low, even by mistake, you still must service the customer under the price negotiated, even if you will lose money doing so.

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.

#### MICHIGAN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Address for notices to the Michigan attorney general: Department of the Attorney General, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 1st Floor; 525 W. Ottawa Street, Lansing, MI 48909; 517-373-7117.

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#### ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

#### The Franchisor, Its Parents, Predecessors, and Affiliates

The franchisor is N2 Franchising, Inc., referred to in this disclosure document as "we," "us," or "our." We refer to the person buying the franchise as "you" or "your." If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners, officers, directors, and limited liability company managers ("Principals"). These are addressed in this disclosure document where appropriate. As used in this disclosure document, an "affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person, and includes parents and subsidiaries of the named person.

N2 Franchising, LLC, was a Delaware limited liability company that was formed on October 26, 2016. On September 6, 2019, N2 Franchising, LLC converted to N2 Franchising, Inc., a Delaware corporation. Our principal business address is 9151 Currency Street, Irving, Texas 75063. We have no parents or other predecessors. We do business under our corporate name and the name "STROLL," "GREET," "REAL PRODUCERS," "BELOCAL," and "N2 Publishing." Exhibit J identifies the names and addresses of our agents for service of process in certain states that require we appoint them upon our registration there. Our agent for service of process in Delaware is National Registered Agents, Inc., 1209 Orange Street, Wilmington, Delaware, 19801.

We sell franchises for businesses that sell print advertising to businesses that wish to advertise in one or more print magazines, newsletters, and/or directories for residential communities, cities, towns, and villages ("publications"), that facilitate the publishing of these publications, sell digital advertising, organize local events, and that develop community relationships, all under the trademarks "STROLL" or "GREET" and other trade names, service marks, trademarks, logos, and commercial symbols we authorize, including "N2 Publishing" ("Marks"). We refer to the people who operate Franchised Businesses interchangeably as Franchisees or Area Directors.

Until July 2022, the Franchised Business was primarily operated under the name "N2 Publishing." In July 2022, all publications for which N2 Publishing franchisees helped to facilitate the publishing were converted to the name "STROLL" or "GREET." As described below, the makeup and size of your Territory will determine whether you will publish a STROLL or GREET publication.

Under a separate disclosure document, we offer franchises for businesses that sell print advertising to businesses that wish to advertise in one or more magazines, newsletters, and/or directories for companies, individuals, and/or organizations interested in or connected to the real estate industry ("RP Publications"), sell digital advertising services, solicit and compile content for the publications, and organize events for real estate professionals using our business system and the publication name REAL PRODUCERS® ("RP Business"). As of June 30, 2024, 137 RP Publications franchises were in operation. The RP Business has been offered since November 20, 2017.

Also under a separate disclosure document, we sell franchises for businesses that sell print advertising to businesses that wish to advertise in one or more magazines, newsletters, and/or directories designed for individuals who are newcomers to a particular area ("BL Publications"), sell digital advertising services, solicit and compile content for the publications, and organize local events using our business system and the publication name BeLocal® ("BL Business"). We began selling franchises for BL Businesses as Test Publications (defined below) on November 20, 2017. As of June 30, 2024, 133 BL Publication franchises were in operation.

From time to time, we may test other publications to determine, among other things, the viability and financial parameters of the publication ("Test Publication"). From November 2017 until October 2024,

franchisees who facilitated publication for Test Publications did so under the REAL PRODUCERS® franchise disclosure document. Now franchisees who facilitate publication for Test Publications do so under the BeLocal® franchise disclosure document As of June 30, 2024, 6 Test Publications were in operation. The Test Publications franchises has been offered since November 20, 2017.

The STROLL Franchised Business, the RP Business, the Test Publication businesses, and the BL Businesses use operating systems that are substantially similar but are targeted to different markets.

Our affiliate, The N2 Company owns and publishes the Publication for which you will sell print advertising and facilitate publishing and distribution, as well as the publications managed by other franchisees. The N2 Company also operates businesses that are the same as or similar to the Franchised Business (referred to herein as "Bridge Publications"), and it operates a business that creates digital and print advertising, provides digital advertising services, publishes magazines, newsletters, and/or directories. The N2 Company has operated Bridge Publications that are the same as or similar to the Franchised Business since 2004.

The N2 Company also owns and operates the business Hyport Digital, which provides digital marketing services like search engine optimization, search engine marketing, web design, email marketing, social media advertising, mobile and display advertising, and other related digital marketing services.

The N2 Company was originally formed as Neighborhood Networks Publishing, Inc., a Missouri corporation, on November 29, 2004. It became a North Carolina corporation on December 27, 2005. It later became a Delaware corporation on January 16, 2009 and changed its name to The N2 Company on November 25, 2019. Previously, under its original corporate name of Neighborhood Networks Publishing, Inc., The N2 Company entered into agreements similar to the Franchise Agreement but under arrangements that are different from the franchise offered under this disclosure document. As of June 30, 2024, two persons operate RP Publications under those arrangements in the state of Washington. The N2 Company is a Delaware corporation. The N2 Company's principal business address is 9151 Currency Street, Irving, Texas 75063.

We do not operate businesses that are the same as or similar to the Franchised Business, but our affiliate does. The Franchised Business has been offered by N2 Franchising, LLC or us since December 2, 2016. We are not engaged in any other businesses and have never offered franchises in any other line of business other than as described above. Except as described above, we have no parents, predecessors, or affiliates that have offered franchises for this business or any other lines of business.

## **The Franchise**

The franchise agreement attached as Exhibit B to this disclosure document ("Franchise Agreement") will grant you the right to operate a business in which you will sell print advertising for, and facilitate the publishing and distribution of, a STROLL or GREET publication ("Publication") to be distributed within a non-exclusive, geographic area ("Territory") made up of residential communities, cities, towns, or villages, sell digital advertising services, solicit and compile content for the Publication, and organize local events, all while using our System and Marks ("Franchised Business"). Depending on the makeup and size of your Territory, your Franchised Business will operate under one of two different models and Marks. The first model uses the STROLL trademark. STROLL Publications are typically distributed to smaller, well-defined neighborhoods, which sometimes, but not always, are affiliated with homeowners' associations. In contrast, a GREET Publication is typically distributed in larger metropolitan areas that contain multiple neighborhoods or communities. The costs related to these different models may vary. See Items 6 and 19 for more details.

The Franchise Agreement provides you with the right to sell print advertising for print publications. You will also have the right to sell digital advertising services and organize local events. Currently the only digital advertising services you are authorized to sell are the extended reach ("Extended Reach") services for print advertisements. As noted below, you may also solicit leads for and facilitate client relationships with Hyport Digital, our digital marketing services business.

The distinguishing characteristics of the "System" include specifications, policies, and procedures for operations; quality of the products and services offered; procedures for sales, management, and financial control; customer service; training and assistance; and advertising and promotional programs, all of which we may change, improve, and further develop from time to time.

Currently, we provide franchisees the following: (a) initial training and, in our discretion, additional or remedial training on an as-needed basis; (b) access to the Franchise Brand Standards Manual; (c) ongoing advice and written materials about the operation and management of your Franchised Business; (d) at our option, certain software programs; and (e) a list of any approved or designated suppliers. We or our affiliate may also offer optional services to franchisees to assist in operations of the Franchised Business. To receive these optional services, you must enter into an AD Services Agreement with our affiliate. The current form of AD Services Agreement is attached to this disclosure document as Exhibit F. There are additional fees associated with these optional services. The service offerings are subject to change. Additional services may become approved while others may be discontinued.

You will operate your Franchised Business out of a facility you choose, which may be home based ("Office"). Your Office must be located within a radius of 50 miles from the perimeter of your Territory, unless we grant you a variance.

We, our affiliates, or our other franchisees may, from time to time in our sole discretion, solicit, seek to establish, or establish one or more national or regional accounts with prospective advertisers and advertisers that may be located in, or have offices, branches, or some other presence, in your Territory ("Strategic Partners"). You have no right to solicit or sell advertising to a Strategic Partner, but we may, in our discretion, establish a policy allowing you to do so, and we can change that policy in our discretion at any time. If you attempt to sell advertising to a Strategic Partner, you must strictly comply with all of our requirements relating to these relationships, including honoring any pricing arrangement agreed to between us and each Strategic Partner. We reserve the right to designate, at any time, any advertiser as a Strategic Partner, including but not limited to those to whom you have already sold advertising.

We or our affiliate may also place national, regional, or local advertisements or advertising inserts into the Publication at our discretion. We call these "Corporate Ads." If we place Corporate Ads in the Publication, we will compensate you in accordance with our then-current Corporate Ads Commission policy.

You may be authorized to sell advertisements or advertising inserts into the Bridge Publications. If you sell into these publications, you will be entitled to a commission determined with our then-current commission policy.

If you choose to, you may solicit leads for and facilitate client relationships with Hyport Digital as part of the Franchised Business. The commission you can receive from these activities is the "HD Sales Commission." Your opportunity to solicit leads for and facilitate client relationships with Hyport Digital is conditioned on the continuance of the sales program. We may modify and discontinue this program in our sole discretion. We can require you to complete additional training and achieve certain certifications to have the opportunity to facilitate client relationships with Hyport Digital.

We may require your current and future Principals (as defined in the Franchise Agreement), which includes the franchisee "Owners," to sign a Principals' Undertaking agreement, binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition (Owners only), solicitation, and disclosure of confidential information, restrictions on transfer, and dispute resolution procedures. The Principals will also guaranty any amounts owed by Franchisee to us.

From time to time, we may offer promotions and sales incentives to existing franchisees. These promotions and incentives are periodic and are subject to change in our discretion. We have no obligation to offer them.

#### Competition

The neighborhood publications industry is highly fragmented, ranging from small local companies to midsize regional companies to very large, national organizations. You will compete with all of these providers as well as other types of publications seeking to attract advertisers and other types of businesses seeking to sell advertising services. You may compete with publications that we, our affiliates, or our franchisees may control. Some of these competitors will have substantial financial, marketing, and other resources and they may be well established in your market.

## **Industry-Specific Regulation**

You must comply with all federal, state, and local laws, rules, and regulations that apply to all businesses. We are not aware of any publishing industry-specific regulations.

## Franchise Referral Program

We may pay a referral fee of \$10,000 to the first of our franchisees that introduces a new prospective franchisee to us who is not associated with us, The N2 Company, or any of our affiliated businesses and is identified to us as referred by the franchisee on their initial application if: (a) we approve the new prospect, (b) we and the prospect sign a Franchise Agreement within 6 months after the referral is made, (c) the prospect pays us the full initial franchise fee applicable to that franchisee, (d) the prospect timely begins operation of its business, (e) the publication managed by the prospect goes to print, and (f) the prospect earns at least one qualified commission (currently a qualified commission is at least \$3,000 (excluding fees charged by the franchisee to the client for ad management services) within 12 months of the date the prospect begins operations of its business. If we pay the referral fee, we will pay the fee after all of the above conditions are met. The franchisee must also be in good standing under its franchise agreement at the time. You must be in full compliance with all Franchise Agreements between you and us (or our affiliates) in order to receive a referral fee. This referral fee is available only if the new prospect's Franchised Business manages a new publication or acquires the rights to manage Bridge Publication; it is not available for transfers of existing Franchised Businesses. This referral program is subject to all state and local laws and regulations. We reserve the right to terminate, cancel, or modify such referral program at any time. Franchisees should refer to the Referral Program Policy document for additional rules and information.

## **ITEM 2. BUSINESS EXPERIENCE**

## **Duane Hixon: Chief Executive Officer**

Duane Hixon has served as our CEO since our formation in October 2016. He is also the CEO of The N2 Company and has served in that role since its inception in December 2005. Duane is based in Wilmington, North Carolina.

#### **Earl Seals: President**

Earl Seals has served as our President since our formation in October 2016. He is also the President of The N2 Company and has served in that role since its inception in December 2005. Earl is based in Zionsville, Indiana.

## JP Hamel: Chief Revenue Officer

JP Hamel has served as our Chief Revenue Officer since September 2022. From January 2020 to August 2022, he served as Head of Franchise Development. From November 2019 to January 2020, he served as Head of Franchise Coaching and from October 2012 to January 2020 he served as Vice President of Sales for The N2 Company. JP is based in Scotch Plains, New Jersey.

## Matthew B. Davis: Chief People and Legal Officer | General Counsel

Matthew B. Davis has served as Chief People and Legal Officer and General Counsel for The N2 Company since September 2022. He has served as General Counsel since July 2017. Additionally, from May 2022 to August 2022, he served as Head of Legal, Human Resources, and Franchise Administration and Compliance for The N2 Company. From July 2021 to August 2022, he served as Head of Legal and Human Resources. Matthew is based in Wilmington, North Carolina.

#### **Domenique Schmitt: Legal and Franchise Operations Manager**

Domenique Schmitt has served as Legal and Franchise Operations Manager for The N2 Company since July 2024. She served as Legal Operations Manager for The N2 Company from January 2019 to July 2024. Domenique is based in Fredericksburg, Virginia.

#### **Doug Couillard: Senior Director of Franchise Development**

Doug Couillard has been our Senior Director of Franchise Development since August 2023. Prior to that role, he was the Director of Field Operations for N2 Franchising from January 2021 to August 2023. Doug was an Area Director from November 2014 to December 2020. Doug is based in Marshfield, Massachusetts.

#### Bethany Mascena Tracy: National Director of Franchise Recruitment

Bethany has served as our National Director of Franchise Recruitment since May 2022. Prior to this role, she was our Launch Manager from December 2019 to May 2022. From March 2017 to October 2019, she served as one of our Region Coaches. Bethany is based in Warwick, Rhode Island.

#### Keith Sewell: Director of Product Growth for Stroll & Greet

Keith Sewell has served as the Director of Product Growth for Stroll & Greet since July 2022. From May 2021 to June 2022, he served our Training Manager. From January 2019 to April 2020, he served as our Market Support Manager. Keith is based in Dothan, Alabama.

## **Bobby Wright: Director of Real Producers and BeLocal Product Growth**

Bobby Wright has served as our Director of Real Producers Product Growth since July 2022 and Director of BeLocal Product Growth since August 2024. Bobby served as a Real Producers Recruiting and Launch specialist for N2 Franchising from 2017 through 2019. He lives in Newark, Ohio.

#### **ITEM 3. LITIGATION**

#### **Administrative Actions**

In the Matter of Neighborhood Networks Publishing, Inc., State of California Department of Financial Protection and Innovation, Order I.D. 337865. On or about December 15, 2016, the registration of our FDD for the offer and sale of our N2 Publishing franchises (now STROLL and GREET franchises) was approved by the state of California. On October 16, 2019, we applied to renew our registration. After cooperating with the state of California's requests for information relating to our affiliate's, Neighborhood Networks Publishing, Inc. (now known as The N2 Company), business activities in California prior to our initial registration in California, the state of California determined that Neighborhood Networks Publishing, Inc.

had offered and sold franchises in violation of the California Franchise Investment Law before the date of our 2016 application. The state of California alleged that Neighborhood Networks Publishing, Inc. failed to provide prospective purchasers with disclosure documents in violation of California law. Neither we nor Neighborhood Networks Publishing, Inc. agrees with the state of California's findings, but in an effort to resolve the matter, in October 2020, Neighborhood Networks Publishing, Inc. entered into a Consent Order with the state of California. Under the Consent Order, Neighborhood Networks Publishing, Inc. agreed (1) to cease and desist from violations of the California Franchise Investment Law and (2) to reimburse the state of California for its investigative costs in the amount of \$10,000.

In the Matter of Neighborhood Networks Publishing, Inc., State of Washington Department of Financial Institutions Securities Division, Order No. S-18-2456-18-CO01. On or about November 20, 2017, we applied for registration of our FDD for the offer and sale of our Real Producers Publications franchises. After cooperating with the state of Washington's requests for information relating to our affiliate's, Neighborhood Networks Publishing, Inc. (now known as The N2 Company), business activities, on November 5, 2018, the state of Washington determined that Neighborhood Networks Publishing, Inc. had offered and sold franchises in violation of the Washington Franchise Investment Protection Act before the date of our application. The state of Washington alleged that Neighborhood Networks Publishing, Inc. failed to provide prospective purchasers with disclosure documents and made financial performance representations in violation of Washington law. Neither we nor Neighborhood Networks Publishing, Inc. agrees with the state of Washington's findings, but in an effort to resolve the matter, in April 2019, Neighborhood Networks Publishing, Inc. entered into a Consent Order with the state of Washington. Under the Consent Order, Neighborhood Networks Publishing, Inc. agreed (1) to comply with the Washington Franchise Investment Protection Act, in all respects, (2) to cease and desist from violations of the Washington Franchise Investment Protection Act, and (3) to reimburse the state of Washington for its investigative costs in the amount of \$4,000.

## **Concluded Actions**

In the Matter of N2 Franchising, Inc. and The N2 Company vs. TPT Visions LLC and Taylor W. Waidhofer, American Arbitration Association Case Number 01-23-0002-3755. On May 26, 2023, we brought an arbitration claim against Taylor W. Waidhofer and TPT Visions LLC (collectively, "Respondent"), a former Real Producers franchisee and its principal owner. During the term of Respondent's franchise agreement and following the termination of the franchise agreement, Respondent began to operate a competitive business, used our confidential information, and solicited clients owned by The N2 Company for competitive purposes. We brought the following claims in our arbitration demand: (i) breach of contract, (ii) misappropriation of trade secrets, (iii) unfair and deceptive practices (iv) fraudulent misrepresentation / fraudulent concealment, (v) indemnification and offset of commission, and (vi) tortious interference with contract. We sought the following relief: compensatory damages, specific performance of the contract, punitive damages, treble damages, transfer of access and control of certain social media accounts, attorney's fees, arbitration costs, and orders compelling compliance with the covenants in the franchise agreement. On March 1, 2024, we entered into a settlement agreement with Respondent and the arbitration was terminated thereafter. In the settlement agreement Respondent agreed to (a) discontinue use of our trademarks, (b) adhere to the non-solicitation and non-competition provisions in the franchise agreement for two years from the date of the settlement, (c) not communicate with key contacts for two years from the date of settlement, (d) not post any content to Respondent's media platform for a certain period, (e) not schedule, host, or promote any events affiliated with Respondent for a certain period, (f) transfer all social media accounts for the franchised business to us, (g) remove prior social media content referencing the franchised business or our intellectual property, (h) transfer to us our confidential information, and (i) reimburse us for arbitration amounts we paid on behalf of Respondent and pay us an additional \$2,500 settlement payment. The parties also entered into a mutual release of claims.

No other litigation is required to be disclosed in this Item.

#### **ITEM 4. BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

#### **ITEM 5. INITIAL FEES**

The initial franchise fee for a Franchised Business is \$735. However, we are waiving the initial franchise fee for franchises offered or entered into on or after the Issuance Date of this disclosure document for franchises that facilitate the publishing of a new publication, unless this disclosure document is amended to reflect otherwise.

We reserve the right to charge the initial franchise fee of \$735 if the franchise is for the management of a publication that was formerly a Bridge Publication.

If we were to charge a franchise fee, the fee would be non-refundable and due in a lump sum. Last year, we uniformly waived the initial franchise fee for both new publications and Bridge Publications.

#### **ITEM 6. OTHER FEES**

#### **OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
Royalty (2)	15% of the advertising value of each issue of the Publication	Monthly	Your Commission payment is determined, in part, by the royalty retained by us or our affiliate, which equals 15% of the advertising value of each issue of the Publication, plus other costs and expenses as described below. The Royalty is due whether or not we or our affiliates actually receives payment for the advertising. See other entries in this Item 6 and Note 2 for information about these costs and expenses.  We or our affiliate determine the advertising value in each issue of the Publication. "Advertising value" is the greater of (1) the minimum market value of each print ad, as our affiliate determines; (2) the contract price for which the print advertising actually sold, which you can determine; (3) the cash value of services that you barter in exchange for print advertising; or (4) the combined amount/value of (2) and (3), if applicable. When setting the advertising value, our affiliate takes into consideration factors such as the

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
			size of the ad, the size of the Publication, the number of residents in the Territory, the age of the Publication, the competition, and our industry experience and knowledge.
Publication Expenses (2)	Our affiliate's cost to design, publish, print, and deliver each issue of the Publication and undertake all other publishing related tasks	Monthly	Your Commission payment is determined, in part, by our affiliate's publication expenses, plus other costs and expenses described in this Item 6. See Note 2.  The publication expense is determined using overhead expenses our affiliate incurs and factors such as the number of residences that will receive the Publication, the number of pages in the Publication, and our "Cost Basis."  The Cost Basis is determined on an annual basis, and the Cost Basis is implemented on November 1 of each year and is applied through October 31 of the following year ("Calculation Year"). The Cost Basis is not increased by more than (a) 10% per Calculation Year or (b) the percentage change in the Consumer Price Index – All Urban Consumers for the immediately preceding Calculation Year, except that if postage rates increase at any time during any Calculation Year, our affiliate reserves the right to increase

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
			the Cost Basis during the Calculation
			Year by the amount of the postage rate increase.
			increase.
			Some of the publishing related task
			costs our affiliate may incur include, without limitation, design fees (for
			print advertisements), printing costs,
			postage, administrative costs (like
			allocable portions of salaries, computer systems, etc.), samples shipping fees,
			and any miscellaneous fees (like ad
			creation fees).
			The publication expenses for STROLL
			Publications may differ from the
			publication expenses for GREET Publications.
			1 doneations.
E . 1 1	C	N	VCii
Extended Reach Fee (2)(7)	Currently, \$37 per month per advertisement.	Monthly	Your Commission payment is determined, in part, by the Extended
	TC 41 1 4		Reach Fee. See Note 2. We can adjust
	If the advertisement is subject to the cross selling		the Extended Reach fee in our sole discretion.
	policies, then the fee is		V
	split between the selling franchisee and the		You are permitted to price the Extended Reach services within the
	receiving franchisee (the		range we set (currently, \$0 to \$99 per
	franchisee managing the publication receiving the		advertisement per month). The difference between the price charged
	advertisement).		and allocated to you and the Extended
	For Franchisee-Managed		Reach fee allocated to you will be added to your Commission payment.
	Publications:		
	- The selling franchisee		See Note 7.
	pays 25% of the		
	Extended Reach Fee		
	and receives 25% of the Cash Received for		
	the Extended Reach		
	advertisement.		

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
Extra Copy	- The receiving franchisee pays 75% of the Extended Reach Fee and receives 75% of the Cash Received for the Extended Reach advertisement.  For Bridge Publications:  - The selling franchisee pays 35% of the Extended Reach Fee and receives 35% of the Cash Received for the Extended Reach advertisement.  - We, as the manager of the Bridge Publication, will pay 65% of the Extended Reach Fee and receive 65% of the Cash Received for the Extended Reach Fee and receive 65% of the Cash Received for the Extended Reach advertisement.	As incurred	If you place an order (fewer than 100
Orders Fee (2)(7)	shipping (10 copy minimum)		copies) of issues of the Publication outside of the original print run, you will pay these fees. Your Commission payment is determined, in part, by the extra copies of past issues you request. See Note 2. See Note 7.
Design Revision Fee (2) (7)	Then-current fee designated in the Franchise Brand Standards Manual  Currently, between \$30 (for over 15 annotations) and \$80 (for over 45 annotations)	As incurred	Your Commission payment is determined, in part, by the number of design revisions you request. See Note 2.  For reference, the typical number of design revisions requested through annotations is between 3-4 per issue.
	,		See Note 7.

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
Adjustment Fee	Our affiliate's cost in wages and other overhead expenses related to requested adjustments	As incurred	Your Commission payment is determined, in part, by your requested changes to the layout of the Publication. See Note 2.  If you request changes to the proof copy of the Publication, an adjustment fee based upon the number and types of requested revisions will be assessed.
Missed Deadline Fee (2)	Our affiliate's cost in wages and other overhead expenses related to the missed deadline	As incurred	Your Commission payment is determined, in part, by whether or not you meet our publication deadlines. See Note 2.
Late Revisions Fee <sup>(2)</sup>	Our affiliate's cost in wages and other overhead expenses related to requested revisions	As incurred	Your Commission payment is determined, in part, by whether or not you timely review, make, or accept revisions to the Publication during certain stages of the publication process. See Note 2.
Cross-selling Fee (2)(3)	Currently, if someone other than you sells a print advertisement for inclusion in the Publication, that Selling Franchisee will receive an Outgoing Cross-Selling Fee equal to 25% of the Cash Received for that advertisement and you (as the Receiving Franchisee) will receive a Receiving Cross-Selling Fee of 75% of the Cash Received, less the Royalty of 15% of the Cash Received and the Publication Expenses.  We may in the future change the Cross-Selling Fees so that the Selling Franchisee receives an Outgoing Cross-Selling Fee of 10% of the Cash Received; the Managing Franchisee receives a Managing Cross-Selling Fee of 30% of Cash	Monthly	Your Commission payment is determined, in part, by the amount of Outgoing Cross-Selling Fees you receive for selling print advertisements in publications managed by other franchisees and by the amount other franchisees receive for selling print advertisements in the Publication. See Notes 2 and 3.

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
	Received, less the Royalty of 15% of the Cash Received; and the Receiving Franchisee will receive a Receiving Cross-Selling Fee of 60% of the Cash Received, less the Publication Expenses.		
Negative Commissions (2)	The amount of the Negative Commission that has accrued	As incurred	Your Commission payment is determined, in part, by the amount of Negative Commissions you have accrued. See Note 2.  Negative Commissions occur and accrue when the royalty, and total publishing costs, expenses, and fees exceed the Cash Received as a result of publishing and advertising contracts entered into in connection with the publishing of the Publication or in connection with other agreements between you or your affiliate(s) and us or our affiliate(s).
Corporate Ads Cross Selling Fee <sup>(4)</sup>	Currently, if we or our affiliates sell a print advertisement for inclusion in the Publication, then we will receive (as the selling party) a fee equal to 35% of the Cash Received for that advertisement and you (as the receiving party) will receive a fee of 65% of the Cash Received, less the Royalty of 15% of the Cash Received and the Publication Expenses.  This fee is subject to change.	Monthly	We and our affiliates have the right to place national, regional, or local advertisements in the Publication. The source of these advertisements may be Strategic Partners. We may choose to pay you a commission if we do so. Our current cross selling fee for Corporate Ads rate is referenced here but can change from time to time and may be eliminated. See Note 4.

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
Event Revenue Royalty	Currently not charged	As incurred	You will have the opportunity to organize local events. We have the right to assess a royalty on revenue generated from these events. We can implement and change a royalty upon 90 days' notice to you. The Event Revenue Royalty will not exceed the greater of \$200 per event or 5% of the gross revenues from an event.
Event Credit Card Fee	Currently, 3% of the amounts paid to you by event sponsors (or others connected with the event) by credit card	As incurred	You will have the opportunity to organize local events. If payments are made to you via credit card by sponsors or others connected with the event, they may make payment using our designated credit card processing platform. We or our affiliate will collect the payments made through that platform. You will pay this fee to cover the credit card transaction fees as well as a reasonable fee for our or our affiliate's involvement with the administration of the payment channel. After this fee is deducted, the balance of the payments will be remitted to you. This fee can be adjusted from time to time in our discretion, up to a maximum of 5% of the amounts paid to you by credit card. We can make your use of a designated credit card processing platform mandatory.
Additional Training	Reasonable fee not to exceed \$1,000 per day charged by us or a third-party provider, plus travel-related expenses you incur	When invoiced	If you request or if we require you to participate in additional training, you must pay us our reasonable costs to provide such training or pay a third party the amount they require.
Software Fee	Currently \$0	When invoiced	We may require the use of software programs in the future that require you to pay a license fee to us, our affiliates, or a third party. The maximum fee that can be charged is \$250 per month.

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
Email Address	Currently \$144 per year for second and each additional email address using the n2co.com domain	When invoiced	We provide one email address using the n2co.com domain or other domain names that contain the Marks or any part of the Marks at no charge. You may request additional email addresses using the n2co.com or other domain names that contain the Marks or any part of the Marks (except the n2co.com domain) at no charge. This email address fee is subject to change, including due to changes in supplier pricing.  See Note 7.
Transfer Fee	100% of the then-current initial franchise fee, plus our reasonable attorneys' fees	When transfer is requested	
Insurance Fee	Cost of premium, plus our reasonable administrative expenses	When invoiced	Payable only if you fail to maintain the required insurance and we secure it for you. We have no obligation to obtain insurance for you.
Collections Fee	Cost to enforce the advertising contracts entered into in connection with the Publication, including collection costs and/or legal and court costs and reasonable attorneys' fees	On demand	Payable if advertisers in the Publication breach the agreement and we or our affiliate seek to collect either through the use of a collection agency or by filing lawsuits.
Indemnification (5)	Varies	On demand	You and the Principals must indemnify us and our affiliate and related parties against a broad range of third-party claims relating to your Franchised Business.
Enforcement Costs	Our cost to enforce the Franchise Agreement, including legal and court costs and reasonable attorneys' fees	On demand	Payable only if you do not comply with the Franchise Agreement.
Franchisor Damages	Varies	Following termination; On demand	The damages (including lost profits), costs, and expenses we incur due to your defaults of the Franchise

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
			Agreement, including our early termination with cause.
Security Breach	Varies	On demand	You are responsible for our costs and expenses that arise from your non-compliance with data requirements or a security breach caused by you or your personnel.
Alternative Suppliers	Our reasonable expenses incurred in the supplier approval process (whether or not approval of the supplier is granted)	On demand	We are not required to approve any particular supplier. We also have the right to revoke the approval of any item or supplier that fails to continue to meet our standards.
AD Services Fees (2) (6) (7)	Varies based upon services selected  Currently, the fees for various services are as follows:  - \$375 per month (divided between all publications) plus 1% of the advertising value of each issue of the Publication	Monthly, as incurred	Our affiliate may offer optional service to you from time to time. If you choose to receive these services, you will pay a fee for each. Your Commission payment is determined, in part, by your use of these services. See Note 2.  The fees are subject to change upon 45 days' notice. See Note 7.  The services available to you are subject to change. We may add additional optional services, modify the services, or eliminate services. The current list of services is detailed in Note 6.  If you use these services, you will enter into a contract with our affiliate. The current form of this contract is found on Exhibit F to this disclosure document.
Lead Generation Fee (2) (7)	Varies  Currently, \$200 per month for Tier 1, \$375 per month for Tier 2, and \$550 per month for Tier 3	Monthly, as incurred	Currently, this fee is optional, but we have the right to require you to pay this fee in the future. Our Lead Generation Specialist can gather leads through various methods including, but not limited to, pulling local business data, placing ads for inbound leads, list scrubbing, and other digital lead collections. The Lead Generation Fee is updated from time to time in the

Type of Fee <sup>(1)</sup>	Amount	<b>Due Date</b>	Remarks
			Franchise Brand Standards Manual. Your Commission payment is determined, in part, by your use of this service. See Note 2. See Note 7.
Late Commission Fee <sup>(7)</sup>	Currently, \$250	As incurred	We are not required to approve commission payments outside of the regular commission schedule. If we do, we have the right to charge this fee. See Note 7.
Returnable Commission	The amount of any overpayment we make to you	On Demand	If the Commission report reflects that you have been paid a Commission in an amount that is more than you are due, then you must return to us the amount of overpayment.
Fines	Up to \$500 for the first instance; Up to \$1,000 for a second or subsequent instance	On Demand	Due only if you fail to obtain our prior approval for advertising, offer unauthorized products or services, or fail to comply with the System operating standards or the Franchise Brand Standards Manual.
Management Fee	45% of monthly Cash Received, plus any expenses we incur in managing the Franchised Business	Monthly	Only payable in the event we must operate your franchise due to death, disability, defaults etc. The Management Fee is in addition to other fees due to us.
Customer Complaint Fee	Varies, our costs and expenses	On demand	If an advertiser, client, or third party complains to us and you fail to satisfactorily remedy the complaint, you will pay us our costs to respond to the complaint.
Wind-Down Damages	An amount equal to the greater of 6 months' worth of the average Royalty you paid for the 12 months prior to the default or \$2,500	On demand	Only payable if you fail to comply with the wind-down procedures or abandon the Franchised Business.

## **Notes:**

(1) All fees and expenses in this Item 6 are non-refundable and, unless otherwise indicated in the preceding chart, are imposed uniformly by us, collected by, and are payable to us. Except as otherwise noted, we may increase these amounts based on changes in market conditions, our cost of providing services, and future policy changes, but we have no present plans to increase any fees. We do not currently require you to participate in, nor have we created, any cooperatives.

- (2) This franchise opportunity is a commission-based program. For each publication you manage, you will receive a Commission that equals:
- (i) For any print advertisement you sell for inclusion in the Publication, the amount equal to the total Cash Received for the Publication in the applicable month; <u>minus</u> the Royalty for the Publication for the applicable month; minus the Publication Expense for the Publication for the applicable month; plus
- (ii) For any print advertisement you sell for inclusion in a publication managed by another franchisee or by our affiliate, as applicable, (x) the amount equal to our then-current Outgoing Cross-Selling Fee, divided by the total number of publications you manage, or (y) the Pre-print Commission, divided by the total number of publications you manage; plus
- (iii) For any print advertisement another franchisee or our affiliate sells for inclusion in the Publication, the amount equal to our then-current Receiving Cross-Selling Fee; plus
- (iv) The amounts paid by advertisers for the Extended Reach services and allocated to the Publication; minus the Extended Reach fee for the applicable month; <u>plus</u>
- (v) If in the future we institute a fee for managing a client, for any print advertisement where you "manage" (as defined in our then-current Franchise Brand Standards Manual) a client who publishes a print advertisement in a publication managed by another franchisee, you will receive our then-current Managing Cross-Selling Fee, divided by the number of publications you manage; minus
- (vi) All other applicable fees and/or deductions applicable to you or the Publication, including, but not limited to: (1) extra copy orders fee; (2) late commission deductions; (3) design revision fee and adjustment fee; (4) missed deadline fee and late revisions fee; (5) Returnable Commissions; (6) fees for services we or our affiliates provide, including any optional services you elect to receive from us or our affiliate; (7) cross selling fees originating from your sales into publications managed by us or our affiliates or fees for Corporate Ads; (8) lead generation fees; and/or (9) Negative Commissions.

"Cash Received" means all revenue actually received by us or our affiliate from advertisers, homeowner associations, recipients of the Publication, or other parties under the terms of advertising contracts or any other form of agreement or contract related to each issue of the Publication. You will not receive a Commission payment in the month or months that a Negative Commission occurs. Commission payments will be accompanied by a Commission accounting and reconciliation report that itemizes Cash Received and the other applicable fees and expenses described in this Item 6. If the Commission report reflects that you have been paid a Commission in an amount that is more than you are due, then you must return to us the amount of overpayment ("Returnable Commission").

"Pre-print Commission" means a one-time payment equal to 10% of the total value of the contract with the advertiser for the purchase of print advertisements to be included in a publication managed by a Receiving Franchisee. If you cross-sell print advertising into a publication managed by another franchisee or our affiliate before the first issue of the Publication is published, then you may elect to receive a Pre-print Commission in lieu of the Outgoing Cross-Selling Fee. If you elect to receive a Pre-print Commission, we will pay you the Pre-print Commission within 20 days after the publication deadline of the publication in which the ad appears.

In addition to all requirements related to the printing of the first issue of the Publication and your compliance with the Franchise Agreement generally, payment of your first Commission is conditioned upon you having created a legal entity to be the franchisee and securing and producing evidence of all required insurance coverage.

The Commission you receive for the sale of print advertisements and Extended Reach services is different from and in addition to the HD Sales Commission you will receive if you elect to solicit leads for and/or facilitate client relationships with Hyport Digital. Your opportunity to solicit leads for and facilitate client relationships with Hyport Digital is conditioned on the continuance of the sales program. We may modify and discontinue this program in our sole discretion.

The HD Sales Commission is subject to change in our sole discretion, but currently will range from 6% to 12% of revenues generated by a client's purchase of goods and services from Hyport Digital. The thencurrent rates will be available in the Franchise Brand Standards Manual. The variation in the HD Sales Commission currently depends upon the specifics of the sale and includes factors like (i) the type of good or service you sell to the client, (ii) the other goods and services the client purchases, (iii) whether or not you referred the client to Hyport Digital, (iv) the involvement of the Hyport Digital sales team, and (v) your role in facilitating the relationship between the client and Hyport Digital.

The HD Sales Commission is due, as applicable, (1) only to the first franchisee that introduces a new prospective lead to Hyport Digital who has not already been a client of Hyport Digital for the previous 12-month period and (2) only if the client unconditionally and completely pays for goods and services purchased from Hyport Digital. The HD Sales Commission will be calculated on the gross invoice price of the goods and services less all taxes, credits, discounts, rebates, or allowances (if any). We will pay the commission in the month that follows the client's unconditional and complete payment of all purchased goods and services. To receive the HD Sales Commission, you must be in full compliance with all Franchise Agreements between you and us (and any other agreements with our affiliates). The amount, due date, calculation, and other details of the HD Sales Commission are subject to change in our sole discretion. To facilitate a client's relationship with Hyport Digital, we may require you to complete certain training and certifications.

Historically, franchisees who owned multiple Franchised Businesses would receive a monthly rebate for certain Publication Expenses (currently \$750 per month for STROLL and GREET publications). While we will continue to honor that rebate policy for those who historically qualified, we have discontinued the rebate program for new franchisees and for any new Franchised Businesses purchased by franchisees owning multiple units.

- (3) For purposes of our cross-selling program, the "Selling Franchisee" is the franchisee (or affiliate of ours) who sells print advertisements to be included in a publication managed by another franchisee (or affiliate); the "Receiving Franchisee" is the franchisee who manages the publication within which the print advertisements will be published; and the "Managing Franchisee" is the franchisee who actively manages the relationship with the advertiser client. Currently, the Cross-Selling Fees are calculated as follows:
- (i) The Selling Franchisee will receive an Outgoing Cross-Selling Fee equal to 25% of the monthly Cash Received for each print advertisement sold by the Selling Franchisee that will be included in the publication managed by the Receiving Franchisee.
- (ii) The Receiving Franchisee will receive a Receiving Cross-Selling Fee equal to 75% of the monthly Cash Received for that print advertisement, less the Royalty of 15% of the Cash Received and the Publication Expenses.

We have the right to change the Cross-Selling Fee to be calculated as follows:

- (i) The Selling Franchisee would receive an Outgoing Cross-Selling Fee equal to 10% of the monthly Cash Received for each print advertisement sold by the Selling Franchisee for inclusion in the publication managed by the Receiving Franchisee.
- (ii) The Managing Franchisee would receive a Managing Cross-Selling Fee equal to 30% of the monthly Cash Received for each print advertisement, less the Royalty of 15% of the Cash Received.
- (iii) The Receiving Franchisee would receive a Receiving Cross-Selling Fee equal to 60% of the monthly Cash Received for that print advertisement, less the Publication Expenses.

You must comply with our then-current policies, procedures and guidelines related to cross-selling to be eligible to receive any Cross-Selling Fee. We have the right to change the Cross-Selling Fee with no prior notice to you unless otherwise required by law. We have the right to terminate your right to cross-sell or your Franchise Agreement if you fail to comply with our policies, procedures, and guidelines related to cross-selling.

- (4) Additionally, we have the option but not the obligation to allow you to sell print advertisements into Bridge Publications. If we permit you to do so, we will be obligated to pay you a commission. We can change the amount of the commission, but it will always be an amount that is at least the amount of the then-current fees we receive if we cross-sell a Corporate Ad into the Publication. Currently, we do permit you to sell print advertisements into Bridge Publications. If you sell a print advertisement for inclusion in a Bridge Publication, you (as the selling party) will receive a fee equal to 35% of the Cash Received for that advertisement and we or our affiliate (as the receiving party) will receive a fee of 65% of the Cash Received, from which we or our affiliate will pay the publication expenses.
- (5) Your indemnification obligations are subject to state law.
- (6) The optional AD Services currently include client ad strategy services. Future optional services may include premium versions of the client ad strategy services, content services, writing and editing services, business strategy coaching, social media management services, administrative services, consulting services, or client care services. This is not an exhaustive list of potential optional services and neither we nor our affiliate is obligated to make them available to our franchisees. Our affiliate may establish and change the prices for current and future services in its discretion.
- (7) Each of these fees can be increased upon notice to you; however, the total increase of each fee during the term of the Franchise Agreement will not be more than 25% of the fee currently identified in this Item 6.

#### ITEM 7. ESTIMATED INITIAL INVESTMENT

#### YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount Low – High	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee (1)	\$735	As Arranged	Execution of Franchise Agreement	Us
Office Furniture & Equipment (2)	\$0 to \$2,650	As Arranged	Before Opening	Suppliers

Type of Expenditure	Amount Low – High	Method of Payment	When Due	To Whom Payment Is to Be Made
Computer Hardware & Software (3)	\$0 to \$2,650	Lump Sum	Before Opening	Suppliers
Office Supplies and Stationery (4)	\$90 to \$125	As Arranged	Before Opening	Suppliers
Insurance Coverage (1 year) (5)	\$400 to \$650	Lump Sum	Before Opening	Insurance Broker or Agent
Initial Training Expenses (6)	\$0	As Arranged	As Incurred	Suppliers
Professional Fees (7)	\$0 to \$2,100	As Arranged	As Incurred	Attorney and Accountant
Licenses and Permits <sup>(8)</sup>	\$0 to \$500	As Arranged	Before Opening	Government Agencies
Entity Formation <sup>(9)</sup>	\$100 to \$500	As Arranged	Before or After Opening	Government Agencies
Postcard Marketing (10)	\$250 to \$1,650	As Arranged	Before Opening	Suppliers
Additional Funds (for first 3 months of operation) (11)	\$600 to \$1,000	As Arranged	After Opening	Various
TOTAL	\$2,010 to \$12,560			

#### **Notes:**

- (1) The initial franchise fee for a Franchised Business is \$735. However, we are waiving the initial franchise fee for franchises offered or entered into on or after the Issuance Date of this disclosure document for franchises that facilitate the publishing of a new Publication, unless this disclosure document is amended to reflect otherwise. We reserve the right to charge the initial franchise fee of \$735 if the franchise is for the facilitation of a publication that was formerly a Bridge Publication.
- The zero-dollar amount assumes that you will initially operate out of your home and that you presently have office furniture and other equipment that you will use to operate your Franchised Business, such as a phone. The range of costs in the chart is an estimate for items such as a desk, chair, and miscellaneous office provisions you choose. We do not require that you purchase any particular amount, type, or brand of furniture or other items that you choose to purchase. If you choose to lease commercial office space, your expenses will increase by the amount of rent you pay, which will depend on the size, condition, and location of the leased premises. This rent estimate is not included in the chart. If you elect to establish your Office in a location other than your home, you may need additional furniture or fixtures that will increase your expenditures, and you will have rent deposit expenses and other expenses not contemplated in this chart.
- (3) This estimate is for the purchase of a phone and a computer or tablet that has Internet and email capability. We have no other requirements regarding the type or brand computer or tablet you purchase. (See Item 11.) The low end of the range assumes that you already own a phone and computer or tablet that can be used in your Franchised Business.

- (4) This estimate is for office supplies such as note pads, pens, file folders, stationery, business cards, etc. The low end of the estimate assumes you already have many of these supplies and/or that you operate "paperless" or mostly paperless.
- (5) You are required to obtain and maintain the minimum amount of insurance specified in Item 8 of this disclosure document. This estimate reflects the cost of insurance premiums for one year. You will need to check with your local carrier for the actual cost of any deposits and premiums. The cost of coverage will vary based upon the area in which your Franchised Business will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums.
- (6) We do not charge tuition or for materials for the initial training. We provide the initial training virtually and so the estimate assumes you will not incur any travel-related costs.
- (7) The low end of the estimate assumes that you do not engage legal and/or accounting professionals to advise you in the start-up of the Franchised Business.
- (8) You are solely responsible for obtaining and maintaining all licenses and permits necessary to operate the Franchised Business. You should check with your local agencies to determine if any permits or licenses are required to operate your Franchised Business.
- (9) You must create an entity to be the franchisee. This is typically done with your state government and requires a filing fee. If the entity is not created before signing the Franchise Agreement, it must be completed to receive your first Commission.
- (10) To announce the introduction of a Publication in your Territory, you must send our approved form of postcard notice to the residents in the Territory. The low estimate assumes that you print and send 400 postcards and the high estimate assumes you print and send 3,000 postcards. The estimates assume that you select basic paper and printing services and do not select premium paper or other upgrades which can increase your costs.
- (11) This is an estimate of the additional funds you may need to operate your Franchised Business during the first three months after you complete initial training. This estimate is based upon the experience of our franchisees. We cannot guarantee that you will not have additional expenses in starting the Franchised Business. This range includes estimated travel and other sales-related expenses you will incur during the first three months. Additional operating expenses will be incurred in connection with the ongoing operation of your Franchised Business.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

#### ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

## Purchases According to Specifications; Approved Suppliers

You must comply with all of our standards and specifications relating to the purchase of all supplies, materials, equipment (including computer hardware and software), and other products and services used in the Franchised Business. We formulate our standards and specifications based on a variety of factors and can issue such standards and specifications to you from time to time, including in writing in the Franchise

Brand Standards Manual. If we have approved suppliers for any supplies, products, and/or services used or offered by your Franchised Business, you must use those suppliers. We may change the number of approved suppliers at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any particular item or service. We may profit from your purchases and leases from approved suppliers, and we and/or our affiliates may receive payments, fees, commissions, or reimbursements from such suppliers in respect of your purchases and leases.

#### **Required Purchases**

Currently, except as described below, you have no obligation to purchase or lease from us, our affiliates, or other designated third-party suppliers of the products, services, supplies, fixtures, equipment (including computer hardware and software and payment systems), inventory, or real estate used in establishing or operating your Franchised Business.

#### **Optional Purchases**

Our affiliate, The N2 Company, is approved to supply you with optional services for your Franchised Business. Currently, these optional services include client ad strategy services. The service offerings are subject to change. Additional services may become approved while others may be discontinued. To receive these optional services, you must enter into an AD Services Agreement with our affiliate. The current form of AD Services Agreement is attached to this disclosure document as Exhibit F. There are additional fees associated with these optional services. Future optional services may include premium versions of the client ad strategy services, content services, writing and editing services, business strategy coaching, social media management services, administrative services, consulting services, or client care services. This is not an exhaustive list of potential optional services and neither we nor our affiliate is obligated to make them available to our franchisees. Our affiliate may establish and change the prices for current and future services in its discretion.

The N2 Company is also approved to supply you with optional lead generation services.

#### **Revenue Derived**

Our CEO, Duane Hixon, and our President, Earl Seals, are the owners of The N2 Company, which is approved to supply you with optional services. Neither we, our affiliate, nor any of our officers owns an interest in any other privately held suppliers or a material interest in any publicly held suppliers of our franchise system. During our fiscal year July 1, 2023 through June 30, 2024, we received no revenue or other material consideration from required purchases or leases by franchisees. During its fiscal year July 1, 2023 through June 30, 2024, The N2 Company received no revenue from our franchisees' required purchases or leases.

## **Requirements for Specific Goods and Services**

<u>Technology:</u> At our option, we currently make available to you software developed by us, our affiliates, or a designated third party for the Franchised Businesses. We are not required to develop or acquire such software programs. Currently we do not assess a fee but we have the right to do so. These software programs assist with client relationship management, sales order and commission management, and Publication production management.

<u>Signage</u>: If you display signage at your Office location, it must comply with our specifications and standards, which we will issue to you upon request.

Business Cards: You must use the third-party provider we designate to purchase your business cards.

Digital Signature Software: We require you to use our approved vendors for digital signature software. You

must not use any digital signature software we have not approved.

Insurance: You must obtain and maintain in full force and effect the levels of insurance specified in the Franchise Agreement and the Franchise Brand Standards Manual or applicable law. At a minimum, you must carry (i) Comprehensive General Liability Insurance, including contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, in the amount of \$2,000,000 combined single limit per occurrence and \$4,000,000 general aggregate; (ii) automobile liability coverage, including coverage of owned, non-owned, and hired vehicles, with coverage in amounts not less than \$300,000 combined single limit; (iii) event insurance for each event you host or sponsor in connection with the Publication in the amount \$1,000,000 per occurrence, \$2,000,000 in the aggregate, regardless of where the event is located; and (iv) such other insurance as may be required by the state or locality in which you operate the Business. All policies must be acceptable to us. From time to time in our sole discretion, we may increase or modify such limits of liability or require additional types of coverage. In each of these policies, except for workers' compensation (if applicable), you agree to name us and our affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees of each of them, as additional insureds (each, an "Additional Named Insured"), which will expressly protect both you and the Additional Named Insured and will require the insurer to defend both you and the Additional Named Insured in any action while reserving the Additional Named Insured's right to involve counsel of their own choosing in protection of their own and system wide interests. Additionally, your insurance policy must waive on behalf of the insurer any right of subrogation by the insurance company against us, the Additional Named Insureds, our officers, shareholders, and employees. Your insurance must apply as primary and non-contributory.

Advertising Materials: You must obtain our prior approval for all advertising and promotional plans and materials that you desire to use to promote your Franchised Business and that we have not prepared or previously approved. We will approve or disapprove such plans and materials within 14 days from the date we receive your plans and materials. We reserve the right to disapprove at any time any plans and materials we have previously approved, and you must promptly discontinue using any promotional or advertising plans or materials upon notice from us to do so.

<u>Social Media Management</u>: If you hire a third-party to manage your social media, you must use only our approved social media management vendors.

Other Services: We have the right to require you to use only our approved vendors for client relationship management, advertisement strategy, photography, and advertisement material creation services. Our current policy is to allow our franchisees to use publishing assistants or vendors that we have not approved in advance, provided the assistants or vendors comply with the standards set forth in our Franchise Brand Standards Manual. We have the right to prohibit you from using the services of any publishing assistant or vendor that does not comply with the standards set forth in the Franchise Brand Standards Manual.

## **Supplier Approval Procedure**

If you wish to use any service, vendor, supplier, or type or brand of item, that is not currently approved by us, you must notify us in writing of your desire to do so and submit to us (or to an independent party we designate) specifications, photographs, samples and/or other information we request. We may also inspect the supplier's facilities, software, security systems, or procedures. Within a reasonable time, which typically will not exceed 45 days after you provide us with notification and the information we request (although this time period can vary based on the type of product to be supplied, the location of the proposed supplier, the responsiveness of the proposed supplier, and other factors), we will determine whether such items or supplier meet our standards and will notify you whether you are authorized to use such item or purchase from such supplier, but we are not required to approve any particular supplier. We are not required to permit

you to contract with alternative suppliers, even if they meet our criteria. When reviewing a product or supplier, we consider various factors, including, but not limited to, pricing, quality, consistency, efficiency, effectiveness, control of and protection of proprietary information, ability to service the entire franchise system, data security, credit worthiness, and solvency. We also have the right to revoke, in our sole discretion, the approval of any item or supplier that fails to continue to meet our standards. At our request, you must pay or reimburse us for our reasonable expenses incurred in the supplier approval process (whether or not approval of the supplier is granted). We do not issue our supplier approval standards and specifications to franchisees. If we revoke our approval, we will provide you 60 days prior written notice of the revocation.

## **Purchasing Arrangements**

We are not obligated to negotiate with any suppliers for our franchisees' benefit. If we choose to do so, we cannot guarantee the outcome of any negotiations, including any price terms. We do not provide material benefits to franchisees based upon their use of designated or approved suppliers. We or our affiliates may receive payments from any supplier on account of its dealings with you and other franchisees. There are currently no purchasing or distribution cooperatives for the system.

We estimate that your total initial required purchases from us, our affiliates, or approved suppliers will be less than 3% of the cost of your initial investment. We estimate your required purchases for the operation of your Franchised Business from us, our affiliates, or approved suppliers will be 50% or more of your annual purchases or leases.

#### ITEM 9. FRANCHISEE'S OBLIGATIONS

#### FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Not applicable	Items 1, 7, and 11
b. Pre-opening purchases/leases	Not applicable	Items 7, 8, and 11
c. Site development and other pre- opening requirements	Not applicable	Items 7, 8, and 11
d. Initial and ongoing training	Section 5.D.	Items 6, 7, and 11
e. Opening	Not applicable	Items 7 and 11
f. Fees	Sections 3, 4, 5, 9, 10, 11, 12, and 14.	Items 5 and 6
g. Compliance with standards and policies/manuals	Section 5.	Items 8 and 11
h. Trademarks and proprietary information	Sections 7.A. and 8.	Items 11, 13, and 14
i. Restrictions on products/services offered	Sections 1. and 5.	Items 8 and 16

Obligation	Section in Agreement	Disclosure Document Item
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development and sales quotas	Sections 5.E. and 5.F.	Items 12 and 16
1. Ongoing product/service purchases	Sections 5.B. and 5.C.	Items 6, 8, and 11
m. Maintenance, appearance, and remodeling requirements	Not applicable	Not applicable
n. Insurance	Section 12.	Items 7 and 8
o. Advertising	Sections 5.E., 5.F., 8.D., and 8.F.	Items 8 and 11
p. Indemnification	Sections 12.B. and 12.C.	Item 6
q. Owner's participation/ management/ staffing	Section 5.E.	Item 15
r. Records and reports	Section 5.E.(2)	Not applicable
s. Inspections and audits	Not applicable	Not applicable
t. Transfer	Section 9.	Items 6 and 17
u. Renewal or extension of rights	Section 2.	Item 17
v. Post-termination obligations	Sections 7. and 11.	Item 17
w. Noncompetition covenants	Section 7.	Item 17
x. Dispute resolution	Section 14.	Item 17
y. Other (guaranty)	Section 5.K.(3)	Item 15

## ITEM 10. FINANCING

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

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

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

**<u>Pre-Opening Obligations</u>**: Before you open the Franchised Business, we or our designee will:

- 1. Provide initial training to you. (Franchise Agreement, Sections 5.D. and 6.E.)
- 2. Provide you access to our Franchise Brand Standards Manual. (Franchise Agreement, Section 6.A.)
- 3. Provide you ongoing advice and written materials regarding the operations and management of your Franchised Business. (Franchise Agreement, Section 6.C.)
- 4. Give you a list of any approved or designated suppliers and other written specifications for required or recommended goods and services. Other than providing you with the software described below, we do not provide or deliver any of the items you need for operations. (Franchise Agreement, Section 6.D.)

## **Continuing Obligations**: After your Franchised Business opens we or our designee will:

- 1. Provide you access to our Franchise Brand Standards Manual. (Franchise Agreement, Section 6.A.)
- 2. Provide you ongoing advice and written materials regarding the operations and management of your Franchised Business, including advice regarding operations challenges you may face. We have created guidelines for client relationship management, sales order and commission management, and Publication production management to assist as you administer Franchised Business. (Franchise Agreement, Section 6.C.)
- 3. Give you a list of any approved or designated suppliers and other written specifications for required or recommended goods and services. (Franchise Agreement, Section 6.D.)
- 4. We and/or our affiliate reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the publishing and advertising rates you communicate to potential advertisers. Currently, except for the digital Extended Reach advertising services which we require you to price within a range, you are free to set the prices for the advertisements you sell.

As discussed below, we may provide some limited training to your employees, contractors, or representatives but we do not assist in the hiring process.

## **Optional Services by Franchisor Pre-Opening or Post-Opening:**

- 1. At our option, we may make available to you, for a fee, software developed by us, our affiliates, or a designated third party for the Franchised Businesses. We are not required to develop or acquire such software programs. Currently we do not assess the fee. These software programs assist with client relationship management, sales order and commission management, and Publication production management. (Franchise Agreement, Section 6.B.)
- 2. We may provide you additional or remedial training, in our discretion. (Franchise Agreement, Sections 5.D. and 6.E.)
- 3. In our discretion, we may maintain an Online Presence (defined below) that provides information about the STROLL or GREET brands, The N2 Company publications, and/or the Franchised Business. (Franchise Agreement, Section 8.E.)
- 4. In our discretion, we may make available to you through our affiliate, optional services for your Franchised Business. We may assess a fee for these services. We have the right to add, delete, and modify the optional services we or our designee may make available to you. Currently the optional services include content development, advertising strategy, advertisement material creation, client relationship management, client communication, administrative services, and other business strategy training.
- 5. In our discretion, we may make available to you the updates and improvements to the System (such as changes to the products and services you may sell or recommendations for operating efficiency) as we make them available to franchisees generally.

## **Typical Length of Time Before You Open Your Franchised Business**

The typical length of time between signing the Franchise Agreement and operating your Franchised Business varies depending on various factors (including your ability to meet local requirements, arrange for training, and set up or acquire your Office), but it generally ranges from 7-45 days. The average time between signing the Franchise Agreement and publishing the first issue of the Publication is four months. We have performance requirements you must meet prior to the first printing of the Publication. Failure to meet these requirements can result in termination of the Franchise Agreement.

#### Office

You will operate your Office out of a facility you choose, and you may use your home as your Office. We do not provide site selection assistance, negotiation assistance, or approve your Office location. We do not own or lease Offices to franchisees. Nevertheless, your Office must be within 50 miles of the perimeter of your Territory unless we grant you a variance. You are solely responsible for selecting your Office, constructing, remodeling, or decorating it, and conforming the Office to local ordinances and building codes. Many franchisees operate from Offices at their homes, meaning the additional work to construct, remodel, decorate, or conform the Office to local code is unnecessary.

## **Advertising**

You are not required to participate in any national, regional, or local advertising programs we manage or in any local or regional advertising cooperatives. You are not required to participate in an advertising fund. We do not have an advertising council.

We are not required to spend any money to advertise your Franchised Business, the Publication, or the STROLL or GREET brands generally. We are not required to spend any money for advertising in your Territory. If we choose to conduct any advertising related to the Franchised Business, the Publication, or the STROLL or GREET brands generally, we may use any media we choose, any source we choose (an inhouse team, or local, regional, or national companies), and have total discretion to select the coverage (local, regional, or national)

You must obtain our prior approval for all advertising and promotional plans and materials that you desire to use to promote your Franchised Business and that we have not prepared or previously approved. You may only use advertising materials that you create, or have created for you, if we determine that these materials and the proposed use of these materials meet our standards. We reserve the right to disapprove at any time any plans and materials we have previously approved, and you must promptly discontinue using any promotional or advertising plans or materials upon notice from us to do so.

## **Online Presences**

We may maintain a website in order to promote the Marks, the publications, or any or all of the Franchised Businesses. We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an "Online Presence") as we see fit. We have the right to control these Online Presences and use or discontinue them in our discretion. An Online Presence includes but is not limited to (1) the website, other webpages, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites and groups; online, internet, or digital directories; video, audio, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; or (7) any identifiers of an Online Presence; (8) business profile pages accessible online; or (9) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed.

We have the right to require you to obtain our consent to create or operate Online Presences that are related to us, the System, the Marks, any publication, or your Franchised Business. For any Online Presence you are permitted (by express consent or by general policy) to create and operate, we reserve the right to be exercised at our option to have the Online Presence directly owned or controlled by us during the term of

the Franchise Agreement or to require it to be transferred to us after the expiration or termination of the Franchise Agreement. Similarly, you must provide us, on request, with credentials and login information to them. Your use of any Online Presence must comply with the policies in the Franchise Brand Standards Manual and other brand guidelines. We can revoke your permission to use Online Presences at any time.

Typically, the types of Online Presences we will permit you to create and operate are social media sites for the Publication. Failure to comply with any social media policies we may establish may be a default under the Franchise Agreement. You must grant us administrative access to each of the social media sites you use, however, we do not regularly monitor or control the content of these social media sites, including the content you post.

## **Computer Requirements**

You must maintain a personal computer or tablet at your Office that is capable of accessing the Internet and have a working phone. You must maintain a high-speed Internet connection (with email capability). We estimate that the cost to acquire these items is \$0 to \$2,650, depending on whether or not you have to purchase these items or you already have them. We estimate that the annual cost for any optional or required maintenance, updating, upgrading, or support contracts for these items will be \$0 to \$500.

We will provide you with client relationship management, sales order and commission management, and Publication production management software to assist you in the operations of your Franchised Business. We have the right to charge you for this software, but do not currently assess it. If we provide you one or more email addresses that contain the Marks or any part of the Marks, then you must use such email address(es), as applicable, when conducting your Franchised Business and as directed in the Franchise Brand Standards Manual. You must not use such email address(es) when conducting personal or any other business not directly connected to the Franchised Business.

You must acquire and use any other computer (including tablets) hardware, cloud systems, artificial intelligence tools, and software for the operation of the Franchised Business that we require, including any enhancements, additions, substitutions, modifications, upgrades, and specific models or versions ("Technology"). We may also require you to license from us, or others we designate, any computer software we develop or acquire for use in connection with the Franchised Business and pay the associated fee. There is no contractual limitation on the frequency or cost of these obligations. If we provide you with any Technology or require you to use specific cloud systems or software, we reserve the right to maintain complete access, at all times, to such Technology or your accounts with cloud systems and software, and you must provide us all passwords and other login credentials at our request. Otherwise, we do not have independent access to your personal computer or the information generated or stored on your computer and do not have a contractual right to access it. The types of data generated and stored on the required Technology include advertiser information, advertising content, Publication production management information, personnel information, operations information, financial information, and sales order and commission management information.

Neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your Technology, and there are currently no optional or required maintenance/upgrade contracts for the Technology.

We own all client lists and all other information you collect during the term of your Franchise Agreement. You must not sell, transfer, or use this data for any purpose other than operating your Franchised Business. We recommend that you back up your data locally, which may require you to purchase a "back-up" subscription service. We are not responsible under any circumstances for any malfunction or "crash" of the Technology we require, recommend, provide, or approve, including for any Franchised Business data lost as a result of that malfunction or "crash."

Despite the fact that you must buy, use, and maintain the Technology according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Technology; (2) the manner in which your Technology interfaces with our and any third party's technology; and (3) any and all consequences if the Technology is not properly operated, maintained, and upgraded.

## **Confidential Franchise Brand Standards Manual and Other Information**

After you sign the Franchise Agreement and before you begin initial training, you will be given online access to certain confidential information. We will provide you with online access to all of our Franchise Brand Standards Manual and other confidential information we deem necessary after you successfully complete training. The Franchise Brand Standards Manual and other confidential information may be provided through electronic means only. A copy of the table of contents of the Franchise Brand Standards Manual is attached as Exhibit E. We consider the contents of the Franchise Brand Standards Manual to be proprietary, and you must treat the Franchise Brand Standards Manual and its contents as confidential. Our Franchise Brand Standards Manual has a total of 53 pages.

#### **Training**

You must attend and satisfactorily complete, as we determine, our initial franchise training program within the first 60 days after signing the Franchise Agreement. You cannot begin operating your Franchised Business until you have satisfactorily completed such franchise training. We provide the initial franchise training program at no additional charge. Because the training is held virtually, we do not anticipate that you will incur travel expenses. You are responsible for any costs you incur to participate in the training.

Keith Sewell will lead the franchise training. Keith has been with us since 2015 and has been training since 2018. He may be assisted by qualified members of our staff, none of whom have less than 10 years of experience in the publishing industry. We may also draw upon the experience of other franchisees or training professionals. In no case would these other franchisees or training professionals have less than 12 months of experience in the publishing industry or as our franchisees or employees.

Our initial franchise training program is offered as needed during the year depending on the number of new franchisees. Initial training generally requires 20-22 hours. The subjects covered and other information relevant to our initial franchise training program are described below.

#### TRAINING PROGRAM (1)

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
Introduction	2	0	Via Live Webinar
Sales & Marketing	4	2 - 2.5	Via Live Webinar
Content Submission	0.33	2 - 2.5	Via Live Webinar
Customer Service	0.33	2 - 2.5	Via Live Webinar
Walk-Ins	0.33	2 - 2.5	Varies (2)

Phone Calls	3	2	Varies (2)
Total	10	10 - 12	

#### **Notes:**

- (1) The materials used in our training program include our Franchise Brand Standards Manual and other handouts. Our initial training program is subject to change without notice to reflect updates in the materials, methods, and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.
- (2) You must participate in 8 hours of virtual field training after the completion of the classroom segment of initial training.

Upon conclusion of the initial franchise training program, we will provide teleconference and online self-guided training materials to support you during your ramp-up to print and launch period.

We may require you to periodically attend additional training programs and seminars, which will be conducted at various locations we designate, or which may be conducted virtually, and which may be conducted by third parties. We have the sole discretion to make available additional training in response to your request but have no obligation to do so. We and such other third parties have the right to charge a reasonable fee for these additional training programs and seminars. The fees that we charge will be based on our costs and/or the fees charged by such third parties. The duration of additional training programs will vary based upon the subject matter and content of the program. You must pay all expenses you or your personnel incur in any training program or seminar, including the cost of travel, lodging, meals, and wages. If you will not be involved in the day-to-day operations of the Franchised Business and instead hire a manager to do so, the manager must also successfully complete the initial training program.

#### **ITEM 12. TERRITORY**

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

When you sign the Franchise Agreement, we will grant you the non-exclusive right and license to establish and operate the Franchised Business. You will be granted a non-exclusive geographic area ("Territory") described in Attachment B to the Franchise Agreement, within which you have the right to distribute the Publication. We do not allow you to relocate your Territory. You will not have the right to distribute the Publication to any person or community outside of your Territory. You have the right to sell and offer to sell print advertising and digital advertising services to clients located both inside and outside of your Territory, but only in accordance with our then-current digital advertising policies, cross-selling policies and Franchise Brand Standards Manual. We also have the right to allow other franchisees or affiliates to offer and sell advertising in all forms to clients located in your Territory.

Your Territory will be defined by zip codes or other geographic boundaries we select. We do not grant any minimum territory. The actual size of the Territory will vary depending upon the availability of markets, our long-range plans, your financial and operational resources, and market conditions. A written description of the Territory will be inserted in Attachment B to the Franchise Agreement before you sign the Franchise Agreement. The boundaries used to define the Territory will be geographic boundaries as configured on the effective date of the Franchise Agreement, which may be described as certain neighborhoods, subdivisions, or communities, or a specific home count in an area, as determined by us. Territories for STROLL Publications tend to be smaller than the territories for GREET Publications. We have the sole discretion to

change your Territory, including its size, shape, boundaries, and population, upon ninety (90) days' notice to you.

We divide each calendar year into four periods of three months each, and we call these periods "Quarters." For the Publication, we require you to (1) maintain a minimum, monthly Commission for the term of your Franchise Agreement, which is currently at least \$3,000 per month for each of the STROLL or GREET publications you manage; (2) include a minimum of 28 pages that meet our standards in each issue of the Publication; (3) include a minimum number of neighborhood-specific articles each month; and (4) complete a minimum number of Qualified Sales each Quarter. We may change our minimum Commission, page number, article, Qualified Sales, and Quarter requirements in our discretion during the Term of the Franchise Agreement. Although subject to change, currently the Qualified Sale requirement is that you make three Qualified New Sales (or the sale of a new advertising contract that has a term of at least 12 months and generates Cash Received of at least \$150 per month). Additionally, you will have various deadlines for the content, review, publishing, approval, etc. of the Publication and you must meet each one. Failure to meet these requirements is a default under the Franchise Agreement and is grounds for termination of the Franchise Agreement.

The Franchise Agreement provides you with the right to sell print advertising for print publications. You will also have the right to sell digital advertising services and to organize local events. Currently the only digital advertising services you are authorized to sell are the Extended Reach services. You have no right to sell goods and services through any other channel of distribution – whether inside or outside of your Territory. You may not market or sell any services outside your Territory, except print advertisements for inclusion in the Publication or the publications managed by others and digital advertising services, subject to our cross-selling policies and digital advertising policies, without our prior written consent. You may not organize events held more than 25 miles from your Territory without obtaining our prior written consent. We have the right to restrict you from offering or selling advertisements of any kind to any client or prospective client at any time.

Additionally, we, our affiliates, and any other authorized person or entity will have the right, among others, (i) to develop and establish other business systems (including systems that distribute products or services similar to those offered by the Franchised Business) using the Marks, or other names or marks, and to grant licenses to use those systems at any location without providing any rights to you, (ii) to advertise and promote any business of The N2 Company or N2 Franchising, Inc. franchised business anywhere, (iii) to operate, and license others to operate, any business of The N2 Company or N2 Franchising, Inc. franchised business or any publishing business of any of our affiliates anywhere, including locations that are inside, adjacent to, or surrounded by your Territory, and (iv) to engage, directly or indirectly, at wholesale, retail, or otherwise, in the production, distribution, license, and sale of all forms (including electronic forms) of magazines, newsletters, advertising, marketing, graphic and web design, or other services and products, under the Marks, or under other names or marks, without compensation to you, at any location, including in the Territory, through any method of distribution, including, but not limited to, mail order catalogs and the Internet, regardless of the proximity to, or the competitive impact on, the Franchised Business. If we solicit or accept orders from within your Territory, we are under no obligation to compensate you.

Our affiliate, The N2 Company, owns and operates a digital marketing services business under the trademark "Hyport Digital." These services include search engine optimization, search engine marketing, web design, email marketing, social media advertising, mobile and display advertising, and other related digital marketing services. Currently, Hyport Digital does not sell print advertising. There are no limitations on where Hyport Digital can solicit and sell its goods and services and Hyport Digital may sell its goods and services in your Territory and to the clients who purchase print advertisements in the Publication. The N2 Company shares our principal place of business and has no plan to implement separate offices or training facilities for the Hyport Digital business. We do not operate any Hyport Digital businesses.

If you choose to, you may solicit leads for Hyport Digital as part of your Franchised Business and receive a commission on referrals. You will also have the opportunity to facilitate the client relationships and receive a commission. There are no restrictions on where you may solicit leads for Hyport Digital or restrictions on the location of the clients for which you facilitate the relationship with Hyport Digital. Your opportunity to solicit leads for and facilitate client relationships with Hyport Digital is conditioned on the continuance of the sales program. We may modify and discontinue this program in our sole discretion. To facilitate a client's relationship with Hyport Digital, we may require you to complete certain training and certifications.

As discussed in detail in Item 1, we offer RP Businesses, Test Publications, and BL Businesses under separate disclosure documents and these businesses operate using substantially similar operating systems as the Franchised Business. Our affiliate, The N2 Company, operates businesses similar to its various franchises but we currently do not. These businesses, among other activities, sell print advertising for publications, organize events, and sell digital advertising services using, as applicable, the REAL PRODUCERS® trademark, BeLocal® trademark, and others. These other publications are targeted at different audiences than a STROLL or GREET publication. We do not have a separate office or training facilities established for supporting and training RP Businesses, Test Publications, and BL Business franchisees and conduct our operations with respect to these businesses from our principal place of business. The territories and business activities of these other businesses may be inside, adjacent to, and overlap with your Territory. We will resolve any conflicts between us, our STROLL and GREET franchisees, and our franchisees using other trademarks informally. If any disputes cannot be resolved informally, they will be resolved as required by the various franchise agreements.

We do not grant franchisees any options, rights of first refusal, or similar rights to acquire franchises for any other territories. Any additional franchised businesses you are approved to operate must be operated pursuant to separate franchise agreements.

Your Franchised Business must be operated from an Office that is within a 50 mile radius from the perimeter of your Territory, unless we grant you a variance. The Office may be a home office. You may relocate your Office as long as it is within our distance requirement and you provide us with advance notice. We do not approve the location of your Office as long as it is within our distance requirement.

#### **ITEM 13. TRADEMARKS**

Our affiliate, The N2 Company, has registered the following Marks with the U.S. Patent and Trademark Office ("USPTO"). The N2 Company intends to renew the registrations and file all appropriate affidavits at the appropriate times, as required by law. The N2 Company has filed the required affidavit and renewed the N2 PUBLISHING trademark below.

Mark	Register	Registration Number	Registration Date
N2 PUBLISHING (Design)	Principal	4095430	February 7, 2012

STROLL (Word)	Principal	7068695	May 30, 2023
	Principal	7070118	May 30, 2023
GREET (Word)	Principal	7458491	July 23, 2024
HYPORT DIGITAL (Word)	Principal	7476604	August 13, 2024

There is no presently effective determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding, nor any pending material litigation involving any Mark which is relevant to its ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

Our rights to the Marks and the proprietary System know-how are derived from a non-exclusive, perpetual license ("Intercompany License") between us and The N2 Company. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Franchise Brand Standards Manual, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is perpetual and terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We and The N2 Company may also mutually agree to modify the terms. Termination of the Intercompany License will not change the effectiveness of any Franchise Agreement as long as you are not in default of the Franchise Agreement. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim of this type. We or our affiliates have sole discretion (but not the obligation) to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, arising out of any alleged infringement, challenge, or claim concerning any of the Marks. You must execute all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name or as part of a domain name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks, and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

#### ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents and do not have any pending patent applications that are material to the Franchised Business. We and/or our affiliate do claim copyright protection and proprietary rights in the original materials used in the System, including our Franchise Brand Standards Manual, the design elements of the Marks, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, the content and design of any Online Presence, the content and design of all of our affiliate's publications (including but not limited to STROLL and GREET publications), other written materials relating to the operation of the Franchised Business and the System, and any other works of authorship owned by us or our affiliate fixed in a tangible medium of expression ("Copyrighted Materials"). We may change the Copyrighted Materials at any time. If we do, you must use the then-current Copyrighted Materials, and you must discontinue, as we require, the use of Copyrighted Materials.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the Copyrighted Materials or to defend or indemnify you for claims relating to the Copyrighted Materials. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of any copyrights.

You must immediately notify us of any infringement of the Copyrighted Materials or of any challenge to the use of any of the Copyrighted Materials or claim by any person of any rights in any of the Copyrighted Materials. You and your Principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim of this type. We or our affiliates have sole discretion (but not the obligation) to take any action we deem appropriate and the right to exclusively control any litigation, or U.S. Copyright Office (or other) proceeding, arising out of any

alleged infringement, challenge, or claim concerning any of the Copyrighted Materials. You must execute all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Copyrighted Materials. We and our affiliates may, in our sole discretion, modify or discontinue use of the Copyrighted Materials or other confidential information and/or use other information and/or rights in their place. If we decide to modify or discontinue use of them for any reason, you must do so also, at your expense.

We treat all Copyrighted Materials as trade secrets, and you must treat all Copyrighted Materials we communicate to you confidentially. Other confidential information includes, without limitation, research, plans, products, services, customer lists, supplier information, advertisers, business plans, marketing data and materials, software, electronic code, forms, processes, methods of operation, strategic information, financial information, manuals, and other business information. You and your Principals must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Principals must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Principals can give this confidential information only to your employees, contractors, and representatives who need it to operate your Franchised Business.

If you, your staff, or your Principals develop any new concept, process, or improvement in the operation or promotion of your Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You, your staff, and your Principals agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

We encourage but do not require an Owner to personally supervise the Franchised Business. We prefer to select franchisees who favor and appear committed to a "hands on" and well-informed approach to the business. The business must be directly supervised and managed by a person, identified to us and accepted by us, who has successfully completed training program or for whom, based on his or her experience, we have waived this requirement. If an Owner is not willing to be the full-time operator of your business, then you will be required to hire a manager accepted by us. We do not require that your managers have any equity in the franchisee entity or receive any percentage of your Commissions. Your managers must be accepted by us, successfully complete training, and must execute a confidentiality and non-solicitation agreement similar to the one that Owners will execute. We strongly recommend that you devote a substantial amount of time to the Franchised Business, whether or not you hire a manager. Franchisees who do not devote their full time and efforts to the establishment and operation of the Franchised Business may generate lower advertising revenue and Commissions and lesser recognition in their areas than those franchisees who do devote their full efforts to the business.

We require all Principals to sign a Principals' Undertaking (attached to the Franchise Agreement as Attachment C), binding themselves individually to certain provisions of the Franchise Agreement, like the covenants against competition (Owners only) and solicitation and those restricting use of the Marks and disclosure of confidential information, restrictions on transfer, and dispute resolution procedures. The Principals must also guaranty amounts owed by the franchisee to us or our affiliates. We do not require an Owner's spouse to sign the Principals' Undertaking or otherwise personally guaranty the performance of the Franchise Agreement. At our request, you must have any other personnel who will have access to our confidential information, but whom we do not designate as a Principal, sign the Confidentiality Agreement and Ancillary Covenants Not to Solicit agreement attached to the Franchise Agreement as Attachment D-

2. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the covenants or eliminate the covenants altogether for any person who signs the Principals' Undertaking and the Confidentiality Agreement and Ancillary Covenants Not to Compete or Ancillary Covenants Not to Solicit agreements.

#### ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all of the services and products that we require and only the services and products which we authorize for the System. You must not sell, offer to sell, or provide through the Franchised Business or otherwise any services and products that have not been approved by us in writing, and you must discontinue any services or products that we disapprove. There are no contractual limits on our right to make changes to the types of services and products that you must sell or are permitted to sell. We and/or our affiliate reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the publishing and advertising rates you communicate to potential advertisers.

All products and services contracts and advertising and publishing contracts with advertisers, homeowner associations, recipients of the Publication, or other parties are with us or our affiliate, not with you. You may not enter into advertising or publishing contracts on our or our affiliate's behalf, and we or our affiliate are the party to any advertising or publishing contract, not you.

The Franchise Agreement provides you with the right to sell print advertising for print publications. You will also have the right to sell digital advertising services and to organize local events. Currently the only digital advertising services you are authorized to sell are the Extended Reach services. You have no right to sell goods and services through any other channel of distribution – whether inside or outside of your Territory. You will not have the right to distribute the Publication to any person or community outside of your Territory. You may not market or sell any services outside your Territory, except print advertisements for inclusion in the Publication or the publications managed by others and digital advertising services, subject to our cross-selling policies and digital advertising policies, without our prior written consent. You may not organize events held more than 25 miles from your Territory without obtaining our prior written consent. We have the right to restrict you from offering or selling advertisements of any kind to any client or prospective client at any time. We also have the right to allow other franchisees or affiliates to offer and sell advertising in any form to clients located in your Territory.

We and our affiliates retain all rights to offer and sell – and to grant others with the license to offer and sell – digital marketing services and advertisements and to operate digital publications. We also retain the rights to require you to sell packages of advertising goods and services to clients, which may include digital components. We have the right to change or rescind this policy for any reason, and at any time, in our sole discretion. We currently permit you to sell Extended Reach to print advertisers.

You must participate in any Corporate Ad programs or other programs we require generally for Franchised Businesses. If you are permitted to call on Strategic Partners in your Territory and attempt to sell advertising to them for the Publication, you must strictly comply with all of our requirements relating to these relationships, including honoring any pricing arrangement agreed to between us and each Strategic Partner.

If you choose to, you may solicit leads for Hyport Digital as part of your Franchised Business and receive a commission on referrals. You will also have the opportunity to facilitate the client relationships and receive a commission. There are no restrictions on where you may solicit leads for Hyport Digital or restrictions on the location of the clients for which you facilitate the relationship. Your opportunity to solicit leads for and facilitate client relationships with Hyport Digital is conditioned on the continuance of the

sales program. We may modify and discontinue this program in our sole discretion. To facilitate a client's relationship with Hyport Digital, we may require you to complete certain training and certifications.

You cannot establish, maintain, operate, or participate in any Online Presence relating to the Franchised Business (other than our Online Presence) without our prior written approval, which we can revoke any time an Online Presence fails to continue to meet our standards. We have the right to own all Online Presences related to the Franchised Business and the Marks. We have the right to require you to provide us with control over or access to any such Online Presences, and to prohibit your use or access to such Online Presences upon default or termination of the Franchise Agreement. You must transfer to us any Online Presence (including accounts, credentials, and login information) at any time we require during the term or following the termination of the Franchise Agreement.

If we provide you one or more email address(es) containing the name or any part of the name of any N2 publication or any of the Marks, you must use such email addresses, as applicable, when conducting your Franchised Business and as directed in the Franchise Brand Standards Manual. You must not use such email address(es) when conducting personal or any other business not directly connected to the Franchised Business.

## ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

#### THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	Three-year initial term
b. Renewal or extension of the term	Section 2.B.	No right to renew
c. Requirements for franchisee to renew or extend	Not applicable	Not applicable
d. Termination by franchisee	Section 10.E.	You have a limited right to terminate the Franchise Agreement for any reason or no reason. You must provide us written notice on or before the earlier of: (1) nine months following the effective date of the Franchise Agreement or (2) the date of the first issuance of the Publication. You do not have the right to terminate the Franchise Agreement after the earlier of those dates. The provisions regarding termination are subject to state law. You must comply with certain wind-down, termination, and post-termination obligations.
e. Termination by franchisor without cause	Section 10.E.	We have the limited right to terminate the Franchise Agreement for any reason or no reason. We must provide you written notice on or before the earlier of: (1) nine months following the effective date of the Franchise

Provision	Section in Franchise Agreement	Summary
		Agreement or (2) the date of the first issuance of the Publication. The provisions regarding termination are subject to state law. You must comply with certain wind-down and post-termination obligations.
f. Termination by franchisor with "cause"	Section 10.	We may terminate because of your default(s).
g. "Cause" defined - curable defaults	Section 10.D.	If you do not cure the following defaults within the cure periods we establish, we will have the right to terminate: failure to meet content, review, approval, processing, and other publication deadlines; failure to operate business in accordance with our standards; failure to maintain content that satisfies our standards; failure to timely submit content or failure to submit sufficient content; you fail to return any Returnable Commissions due to us; you fail to pay any fee or amount when due to a supplier or creditor; you fail to pay your independent staff in accordance with law; failure to interact professionally with clients and leads of Hyport Digital or failure to comply with policy and requirements for Hyport Digital leads, clients, goods, services, and trademarks; failure to interact professionally with other franchisees, advertisers, clients, members of Communities, or Industry Groups; other non-compliance; repeated complaints about the business. Franchisor has a step-in right upon default.
h. "Cause" defined – non-curable defaults	Sections 10.B. and 10.C.	Insolvency; general assignment for benefit of creditors; filing of voluntary bankruptcy; filing of involuntary bankruptcy not dismissed within 60 days; admission of inability to pay debts; adjudicated bankrupt or insolvent; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; abandonment or cessation of Franchised Business; unauthorized transfer; failure to comply with restrictions on use of Copyrighted Materials and confidential information; failure to comply with covenants; misuse of the Systems and Marks; material representations or breaches of representations and warranties; whether before or after the date of the franchise agreement, you or a Principal has been charged with, convicted of, or pleads nolo contendere to a felony or other offense, is subject to a judgment default, lien, bankruptcy or similar occurrence, become known to be of bad moral character, disparage our reputation,

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	Sections 7. and 11.	or fail to conduct yourself or itself with high standards; the royalty, total publication expenses, and other expenses for each publication for which you are responsible exceed the total revenue actually received by us or our affiliate under the advertising contracts for each publication for which you are responsible in any one- calendar-month period; you or your affiliates are in default of any other agreement with us or our affiliates and you do not cure the default; you or your Principals have a second default, whether or not such defaults are of the same or different nature and whether or not they have been cured; underreporting of sales; accepting payments directly from advertisers or making payments on their behalf; beginning operations without receive authorization; operating under any unauthorized trademark; default of your obligations with respect to intellectual property; failure to meet requirements for deadlines or minimum pages two or more times in a certain period; actions that impair the value or goodwill of the Publication, other publication, the System or the Marks; we discontinue more than one publication for which you are responsible in six months; other defaults that are incapable of being cured. A provision in the Franchise Agreement which terminates the Franchise Agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101. Franchisor has a step-in right upon default.  Comply with wind-down obligations; pay us wind-down damages, if applicable; stop using our Marks, Copyrighted Materials, and confidential information; return the Franchise Brand Standards Manual and Copyrighted Materials; stop operating the Franchised Business and do not represent yourself as a current franchisee; pay amounts due; at our option, assign to us your business directory listings and the Online Presences; grant us control of any Online Presence; comply with our instructions regarding the Technology and Franchised Business Data; comply with confidentiality, non-competition, a

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by franchisor	Section 9.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – defined	Section 9.B.	You and your Principals must not transfer any rights or obligations under the Franchise Agreement, any assets of your Franchised Business, or any direct or indirect interest in you except in compliance with the Franchise Agreement. "Transfer" means any issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary.
Franchisor's approval     of transfer by franchisee	Section 9.B.	You must notify us with a notice of transfer, and we must give written consent to a transfer by you or your Principals. All transfers must meet certain conditions.
m. Conditions for franchisor approval of transfer	Section 9.B.	Conditions include the following: you must pay all amounts due; not be in default; sign a general release (subject to state law); pay a transfer fee; and remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, meet our guaranty obligations, make certain representations, and enter into our then-current franchise agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 9.C. and 9.D.	We can match any offer you want to accept for your business. Before you obtain an offer from a buyer, you must offer to us first. If you do, then we only have a right of first refusal if the terms are different than offered to us.
o. Franchisor's option to purchase franchisee's business	Section 9.C. and 9.D.	We can match any offer you want to accept for your business. Before you obtain an offer from a buyer, you must offer to us first. If you do, then we only have a right of first refusal if the terms are different than offered to us.
p. Death or disability of franchisee	Section 9.E.	If the Franchisee or a Principal dies or is disabled, the interest of such franchisee or Principal must be transferred within six months. Franchisor has a step-in right upon death or disability.
q. Non-competition covenants during the term of the franchise	Section 7.BC.	You and your Principals may not have any direct or indirect interest in a competitive business. You are prohibited from soliciting advertisers for competitive purposes.
r. Non-competition covenants after the franchise is terminated or expires	Section 7.DE.	For two years after the expiration, termination, or transfer of the Franchise Agreement, you and your Principals may not own, operate, or manage a competitive business; engage in, provide or assist others in providing

Provision	Section in Franchise Agreement	Summary
		competitive services, or perform certain activities which would use or disclose confidential information. You are also prohibited from soliciting or attempting to solicit certain advertisers for purposes of selling them competitive services. The activities for a competitive business are prohibited within your territory, the territory of other publication businesses owned by us, our affiliate, or our other franchisees, or within a 10-mile radius of each of those territories.
s. Modification of the	Sections 15.A.	Except for changes we can make unilaterally,
t. Integration/merger clause	Section 15.A.	all changes require mutual agreement.  Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in this Franchise Disclosure Document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 14.	Disputes must be first mediated. If not resolved, they will be arbitrated. There are exceptions for actions we bring for injunctive or other equitable relief or for certain types of claims related to confidential information, restrictive covenants, unpaid fees, or intellectual property.
v. Choice of forum	Section 14.	Unless contrary to applicable state law, mediation will be held in the city where we maintain our principal place of business and arbitration will be held at the AAA office nearest to our principal place of business, which is currently Irving, Texas. Unless contrary to applicable state law, venue for any other proceeding is the state or federal district court in which our principal place of business is located, which is currently Irving, Texas. See the State- Specific Addenda attached to this disclosure document.  In addition to the provisions noted in this chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and
		punitive or exemplary damages, and limitations on when claims may be raised. See the State-Specific Addenda attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
w. Choice of law	Section 14.	Unless contrary to applicable state law, the Franchise Agreement is to be interpreted and construed under Texas law, except for Texas choice of law rules, except that any law regulating the offer or sale of franchises, business opportunities, or similar interests, or governing the relationship between you and us will not apply unless its jurisdictional requirements are met independently. See State Specific Addenda attached to this disclosure document.

#### **ITEM 18. PUBLIC FIGURES**

We do not use any public figure to promote the 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.

This historical financial performance representation relates to Commission payments we paid from July 1, 2023 through June 30, 2024 ("Reporting Period") to 376 STROLL Publications that were in print as of June 30, 2024 and who had been in print for a full year ("Reporting Publications") and to 313 franchisees who were active franchisees for the Reporting Period ("Reporting Franchisees"). By "in print," we mean that the publication that had been in print for at least one year under the franchisee's management. By "active franchisee" we mean actively involved in in-print activities for at least one Publication for the entirety of the Reporting Period.

We had a total of 546 STROLL publication franchises during the Reporting Period. We excluded the Commission payments made to publications that were not in print for the full year. We do not include information for franchisees who have been operating less than one year because we do not consider that information to be as reliable as that information from franchisees who have been in operation for at least one year. We excluded the Commission payments made to publications that were managed by 7 franchisees whose Commission payments were calculated using a different formula than the rest of our franchisees. We do not include in this disclosure document financial information about Publications managed by our affiliate. We do not make any financial representations relating to GREET publications.

### AVERAGE YEARLY COMMISSION PAYMENTS FOR 376 STROLL REPORTING PUBLICATIONS

This information provides the overall average yearly Commission payments paid to the 376 Reporting Publications.

The average yearly Commission earned for the top 10%, 38 publications (out of 376) in the Reporting Period was \$166,174.00. Of this group, 13 (34%) earned a Commission payment that totaled the average or more, and 25 (66%) earned a Commission payment that totaled less than the average. The median Commission earned for this group was \$147,005.00. The highest Commission earned was \$308,319.00, and the lowest Commission earned was \$122,759.00.

The average yearly Commission earned for the bottom 10%, 38 publications (out of 376) in the Reporting Period was \$25,113.00. Of this group, 16 (42%) earned a Commission payment that totaled average or more, and 22 (58%) earned a Commission payment that totaled less than the average. The median Commission earned for this group was \$26,220.00. The highest Commission earned was \$31,945.00, and the lowest Commission earned was \$8,262.00.

### AVERAGE YEARLY COMMISSION PAYMENTS BY FRANCHISEE FOR THE 313 STROLL REPORTING FRANCHISEES

This information provides the average yearly Commission payments made to the 313 Reporting Franchisees in the Reporting Period depending on the number of STROLL publications the franchisee managed.

Yearly	One	Two	Three	Four
Commission	Publication 1	<b>Publications 2</b>	<b>Publications 3</b>	<b>Publications 4</b>
Avg. for Top 10%	\$150,134.00	\$321,233.00	\$432,987.00	\$366,253.00
Median for Top 10%	\$131,509.00	\$322,729.00	\$432,987.00	\$366,253.00
High/Low in	\$266,079.00/	\$400,715.00/	\$432,987.00/	\$366,253.00/
Top 10%	\$113,695.00	\$249,100.00	\$432,987.00	\$366,253.00
Avg. for Bottom 10%	\$20,815.00	\$62,148.00	\$136,599.00	\$222,417.00
Median for Bottom 10%	\$24,464.00	\$63,450.00	\$136,599.00	\$222,417.00
High/Low in Bottom 10%	\$29,461.00/ \$2,834.00	\$69,097.00/ \$53,275.00	\$164,200.00/ \$108,998.00	\$222,417.00/ \$222,417.00

**Note 1:** 246 franchisees managed one publication each. Of the 25 franchisees who performed in the top 10% of these 246 franchisees, 8 (32%) performed at or above the average, and 17 (68%) performed below the average. Of the 25 franchisees who performed in the bottom 10% of these 246 franchisees, 8 (32%) performed at or above the average, and 17 (68%) performed below the average.

**Note 2:** 51 franchisees managed 2 publications each. Of the 5 franchisees who performed in the top 10% of these 51 franchisees, 3 (60%) performed at or above the average, and 2 (40%) performed below the average. Of the 5 franchisees who performed in the bottom 10% of these 58 franchisees, 2 (40%) performed at or above the average, and 3 (60%) performed below the average.

**Note 3:** 13 franchisees managed 3 publications. Of the 13 franchisees who managed 3 publications, 1 franchisee performed in the top 10%. Of the 13 franchisees who managed 3 publications, 1 franchisee performed in the bottom 10%.

**Note 4:** 2 franchisees managed 4 publications. Of the 2 franchisees who managed 4 publications, 1 franchisee performed in the top 10%. Of the 2 franchisees who managed 4 publications, 1 franchisee performed in the bottom 10%.

During the Reporting Period, we had one franchisee with 5 publications.

## AVERAGE MONTHLY COMMISSION PAYMENTS FOR 376 STROLL REPORTING PUBLICATIONS

This information provides the overall average monthly Commission payments paid to the 376 Reporting Publications.

The average monthly Commission earned for the top 10%, 38 publications (out of 376) in the Reporting Period was \$13,848.00. Of this group, 13 (34%) earned a Commission payment that totaled the average or more, and 25 (66%) earned a Commission payment that totaled less than the average. The median Commission earned for this group was \$12,250.00. The highest Commission earned was \$25,693.00, and the lowest Commission earned was \$10,230.00.

The average monthly Commission earned for the bottom 10%, 38 publications (out of 376) in the Reporting Period was \$2,093.00. Of this group, 16 (42%) earned a Commission payment that totaled the average or more, and 22 (58%) earned a Commission payment that totaled less than the average. The median Commission earned for this group was \$2,185.00. The highest Commission earned was \$2,662.00, and the lowest Commission earned was \$689.00.

## AVERAGE MONTHLY COMMISSION PAYMENTS BY FRANCHISEE FOR THE 313 STROLL REPORTING FRANCHISEES

This information provides the average monthly Commission payments made to the 313 Reporting Franchisees for the Reporting Period depending on the number of STROLL publications the franchisee managed.

Monthly Commission	One Publication 1	Two Publications 2	Three Publications 3	Four Publications 4
Avg. for Top 10%	\$12,511.00	\$26,769.00	\$36,082.00	\$30,521.00
Median for Top 10%	\$10,959.00	\$26,894.00	\$36,082.00	\$30,521.00
High/Low in Top 10%	\$22,173.00/ \$9,475.00	\$33,393.00/ \$20,758.00	\$36,082.00/ \$36,082.00	\$30,521.00/ \$30,521.00
Avg. for Bottom 10%	\$1,735.00	\$5,179.00	\$11,383.00	\$18,535.00
Median for Bottom 10%	\$2,039.00	\$5,288.00	\$11,383.00	\$18,535.00
High/Low in Bottom 10%	\$2,455.00/ \$236.00	\$5,758.00/ \$4,440.00	\$13,683.00/ \$9,083.00	\$18,535.00/ \$18,535.00

**Note 1:** 246 franchisees managed one publication each. Of the 25 franchisees who performed in the top 10% of these 246 franchisees, 8 (32%) performed at or above the average, and 17 (68%) performed below

the average. Of the 25 franchisees who performed in the bottom 10% of these 246 franchisees, 8 (32%) performed at or above the average, and 17 (68%) performed below the average.

**Note 2:** 51 franchisees managed 2 publications each. Of the 5 franchisees who performed in the top 10% of these 51 franchisees, 3 (60%) performed at or above the average, and 2 (40%) performed below the average. Of the 5 franchisees who performed in the bottom 10% of these 58 franchisees, 2 (40%) performed at or above the average, and 3 (60%) performed below the average.

**Note 3:** 13 franchisees managed 3 publications. Of the 13 franchisees who managed 3 publications, 1 franchisee performed in the top 10%. Of the 13 franchisees who managed 3 publications, 1 franchisee performed in the bottom 10%.

**Note 4:** 2 franchisees managed 4 publications. Of the 2 franchisees who managed 4 publications, 1 franchisee performed in the top 10%. Of the 2 franchisees who managed 4 publications, 1 franchisee performed in the bottom 10%.

During the Reporting Period, we had one franchisee with 5 publications.

#### AVERAGE YEARLY NET PROFITS FOR 376 STROLL REPORTING PUBLICATIONS

This information provides the overall average yearly net profits percentage earned by the 376 Reporting Publications.

The average yearly net profit percentage for the top 10%, 38 publications (out of 376) in the Reporting Period was 49.6%. Of this group, 6 (16%) earned net profits that totaled the average or more, and 32 (84%) earned net profits that totaled less than the average. The median percentage of net profits for this group was 48.5%. The highest percentage of net profits earned was 59.8%, and the lowest percentage of net profits earned was 46.6%.

The average yearly net profit percentage for the bottom 10%, 38 publications (out of 376) in the Reporting Period was 18.6%. Of this group, 15 (39%) earned net profits that totaled the average or more, and 23 (61%) earned net profits that totaled less than the average. The median percentage of net profits for this group was 19.3%. The highest percentage of net profits earned was 22.6%, and the lowest percentage of net profits earned was 6.2%.

**Note 1:** The net profit percentages above were calculated by subtracting the costs and expenses detailed in Item 6, including but not limited to the Royalty Fee, Cross-Selling Fee, and our affiliate's Publication Expenses, from the Cash Received and dividing such figure by the Cash Received for that publication.

**Note 2**: The net profit percentages do not distinguish between publications associated with franchisees who manage multiple publications and those associated with franchisees who manage a single publication. Franchisees who manage multiple publications receive \$600 credit for advertising publications, which would impact the total Commission received. If you only manage one publication, you will not receive this credit.

We have not audited or otherwise verified the Commission payments information provided in this Item 19.

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

We have written substantiation in our possession to support the information appearing in this Item 19, and such substantiation will be made available to you on reasonable request.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Matthew Davis at 2093 Philadelphia Pike #3202, Claymont, Delaware 19703; 844-353-5378, the Federal Trade Commission, and the appropriate state regulatory agencies.

#### ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

#### STROLL PUBLICATIONS

#### Table No. 1 Systemwide Outlet Summary For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2022	627	516	-111
Franchised	2023	516	548	+32
	2024	548	546	-2
	2022	33	36	+3
Company-Owned	2023	36	38	+2
	2024	38	57	+19
	2022	660	552	-108
<b>Total Outlets</b>	2023	552	586	+34
	2024	586	603	+17

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
	2022	1
Arizona	2023	2
	2024	0
	2022	1
Arkansas	2023	0
	2024	0

State	Year	Number of Transfers
	2022	1
California	2023	0
	2024	0
	2022	1
Colorado	2023	0
	2024	0
	2022	2
Florida	2023	2
	2024	1
	2022	1
Georgia	2023	1
	2024	0
	2022	2
Illinois	2023	0
	2024	0
	2022	2
Indiana	2023	0
	2024	0
	2022	0
Kansas	2023	1
	2024	1
	2022	0
Kentucky	2023	1
	2024	0
	2022	1
New York	2023	0
	2024	0
	2022	1
North Carolina	2023	2
	2024	0
	2022	0
Ohio	2023	1
	2024	0
	2022	0
Oklahoma	2023	0
	2024	1
Oragan	2022	1
Oregon	2023	0

State	Year	Number of Transfers
	2024	0
	2022	0
Pennsylvania	2023	1
	2024	0
	2022	1
Texas	2023	4
	2024	1
	2022	1
Virginia	2023	1
	2024	0
	2022	0
Washington	2023	2
	2024	0
	2022	1
Wisconsin	2023	0
	2024	0
	2022	17
Totals	2023	18
	2024	4

Table No. 3 Status of Franchised Outlets For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2022	7	1	0	0	0	3	5
Alabama	2023	5	4	0	0	0	3	6
	2024	6	15	0	0	1	10	10
	2022	0	0	0	0	0	0	0
Alaska	2023	0	1	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2022	18	20	0	0	0	19	19
Arizona	2023	19	10	0	0	1	6	22
	2024	22	5	1	0	1	6	19

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2022	11	3	0	0	0	8	6
Arkansas	2023	6	1	0	0	2	2	3
	2024	3	6	0	0	0	5	4
	2022	24	16	0	0	1	17	22
California	2023	22	33	0	0	0	30	25
	2024	25	25	0	0	1	23	26
	2022	22	18	0	0	0	24	16
Colorado	2023	16	14	0	0	0	11	19
	2024	19	16	1	0	0	18	16
	2022	6	6	0	0	0	5	7
Connecticut	2023	7	7	0	0	0	12	2
	2024	2	3	0	0	0	4	1
	2022	1	0	0	0	0	1	0
Delaware	2023	0	0	0	0	0	0	0
	2024	0	4	0	0	0	3	1
	2022	3	0	0	0	0	0	3
District of Columbia	2023	3	0	0	0	0	0	3
Columbia	2024	3	0	0	0	0	0	3
	2022	69	53	2	0	0	57	63
Florida	2023	63	20	1	0	1	17	64
	2024	64	39	2	0	1	31	69
	2022	22	12	2	0	0	15	17
Georgia	2023	17	9	0	0	0	6	20
	2024	20	18	1	0	0	12	25
	2022	1	0	0	0	0	0	1
Hawaii	2023	1	2	0	0	0	2	1
	2024	1	0	0	0	0	0	1
	2022	0	0	0	0	0	0	0
Idaho	2023	0	2	0	0	0	1	1
	2024	1	1	0	0	0	1	1
	2022	21	17	0	0	0	20	18
Illinois	2023	18	6	0	0	1	8	15
	2024	15	11	0	0	2	7	17
т 1'	2022	16	10	0	0	0	8	18
Indiana	2023	18	0	0	0	0	4	14

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2024	14	12	0	0	1	12	13
	2022	1	0	0	0	0	0	1
Iowa	2023	1	1	0	0	0	1	1
	2024	1	2	0	0	0	2	1
	2022	9	5	0	0	1	6	7
Kansas	2023	7	2	0	0	2	2	5
	2024	5	5	0	0	1	1	8
	2022	4	5	0	0	0	4	5
Kentucky	2023	5	2	0	0	0	1	6
•	2024	6	7	0	0	0	3	10
	2022	15	9	1	0	0	9	14
Louisiana	2023	14	1	1	0	0	0	14
	2024	14	2	0	0	0	3	13
	2022	4	1	0	0	0	3	2
Maine	2023	2	2	0	0	0	2	2
	2024	2	2	0	0	1	2	1
	2022	13	7	3	0	1	9	7
Maryland	2023	7	1	0	0	0	0	8
•	2024	8	8	0	0	1	7	8
	2022	9	11	0	0	0	13	7
Massachusetts	2023	7	6	0	0	0	4	9
	2024	9	9	0	0	1	9	8
	2022	7	5	0	0	0	3	9
Michigan	2023	9	5	0	0	0	6	8
C	2024	8	10	1	0	0	8	9
	2022	9	7	0	0	1	8	7
Minnesota	2023	7	4	0	0	0	4	7
	2024	7	1	0	0	1	0	7
	2022	4	1	0	0	0	1	4
Mississippi	2023	4	0	0	0	0	0	4
11	2024	4	2	0	0	0	1	5
	2022	7	0	2	0	1	1	3
Missouri	2023	3	3	0	0	0	3	3
	2024	3	9	0	0	1	5	6
Montana	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 Year
	2023	0	1	0	0	0	0	1
	2024	1	1	1	0	0	0	1
	2022	3	2	0	0	0	3	2
Nebraska	2023	2	2	0	0	0	1	3
	2024	3	1	0	0	0	2	2
	2022	7	3	0	0	0	3	7
Nevada	2023	7	6	0	0	0	7	6
	2024	6	2	0	0	1	4	3
	2022	3	0	0	0	0	1	2
New	2023	2	1	0	0	0	0	3
Hampshire	2024	3	0	1	0	0	1	1
	2022	5	3	0	0	0	3	5
New Jersey	2023	5	3	0	0	0	2	6
·	2024	6	3	0	0	0	3	6
New Mexico	2022	5	3	0	0	0	3	5
	2023	5	1	0	0	0	1	5
	2024	5	4	0	0	0	5	4
	2022	12	8	0	0	0	7	13
New York	2023	13	10	0	0	0	7	16
	2024	16	12	0	0	3	8	17
	2022	27	20	2	0	2	25	18
North	2023	18	14	0	0	0	5	27
Carolina	2024	27	15	0	0	6	11	25
	2022	3	0	0	0	0	3	0
North Dakota	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	33	18	1	0	5	24	21
Ohio	2023	21	9	0	0	0	11	19
	2024	19	12	0	0	1	9	21
	2022	16	10	1	0	3	10	12
Oklahoma	2023	12	2	0	0	0	3	11
OKIGHOIHA	2024	11	7	0	0	1	5	12
	2022	11	9	0	0	0	13	7
Oregon	2023	7	1	0	0	0	1	7
J	2024	7	4	0	0	1	5	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2022	17	12	1	0	0	12	16
Pennsylvania	2023	16	6	0	0	0	6	16
	2024	16	8	0	0	1	7	16
	2022	3	3	0	0	0	3	3
Rhode Island	2023	3	1	0	0	0	1	3
	2024	3	2	0	0	0	5	0
	2022	20	12	1	0	0	14	17
South	2023	17	4	0	0	0	5	16
Carolina	2024	16	10	0	0	0	11	15
	2022	0	0	0	0	0	0	0
South Dakota	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2022	20	8	1	0	0	13	14
Tennessee	2023	14	9	0	0	0	5	18
	2024	18	4	0	0	0	5	17
	2022	95	53	1	0	3	67	77
Texas	2023	77	37	0	0	0	21	93
	2024	93	39	0	0	5	44	83
	2022	2	4	0	0	0	5	1
Utah	2023	1	2	0	0	0	1	2
	2024	2	5	0	0	0	5	2
	2022	0	0	0	0	0	0	0
Vermont	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	1	0
	2022	16	20	1	0	0	18	17
Virginia	2023	17	1	0	0	0	2	16
	2024	16	8	0	0	2	8	14
	2022	17	8	0	0	0	17	8
Washington	2023	8	4	0	0	1	4	7
$\mathcal{E}$	2024	7	6	0	0	0	5	8
	2022	5	1	0	0	0	1	5
West Virginia	2023	5	0	0	0	0	0	5
6	2024	5	1	0	0	0	0	6
	2022	4	3	0	0	0	3	4
Wisconsin	2023	4	1	0	0	0	1	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2024	4	3	0	0	0	2	5
	2022	0	1	0	0	0	0	1
Wyoming	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2022	627	408	19	0	18	482	516
Totals	2023	516	252	2	0	8	210	548
	2024	548	360	8	0	34	320	546

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2022	0	0	0	0	0	0
Alabama	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2022	0	0	1	0	0	1
Arkansas	2023	1	0	2	0	0	3
	2024	3	0	0	1	0	2
	2022	0	0	0	0	0	0
Arizona	2023	0	0	1	1	0	0
	2024	0	0	1	0	0	1
	2022	4	0	1	3	0	2
California	2023	2	0	0	0	0	2
	2024	2	0	1	0	0	3
	2022	2	0	0	0	0	2
Colorado	2023	2	2	0	0	0	4
	2024	4	0	0	0	0	4
	2022	2	0	0	0	0	2
Florida	2023	2	0	1	0	1	2
	2024	2	0	1	0	0	3
Idaho	2022	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Indiana	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2022	2	0	0	0	0	2
Illinois	2023	2	0	1	1	0	2
	2024	2	0	2	0	0	4
	2022	0	0	1	0	0	1
Kansas	2023	1	0	2	2	0	1
	2024	1	0	1	0	0	2
	2022	0	0	0	0	0	0
Louisiana	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
	2022	0	0	1	0	0	1
Maryland	2023	1	0	0	1	0	0
	2024	0	0	1	0	0	1
	2022	0	0	0	0	0	0
Maine	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2022	1	0	0	0	0	1
Massachusetts	2023	1	0	0	1	0	0
	2024	0	0	1	0	0	1
	2022	5	0	1	0	3	3
Minnesota	2023	3	0	0	2	0	1
	2024	1	0	1	0	0	2
	2022	2	0	1	1	0	2
Missouri	2023	2	0	0	0	0	2
	2024	2	0	1	1	0	2
	2022	0	0	0	0	0	0
New York	2023	0	0	0	0	0	0
	2024	0	0	3	1	0	2
	2022	0	0	0	0	0	0
Nevada	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
North Carolina	2022	5	0	2	2	1	4

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2023	4	3	0	0	0	7
	2024	7	0	6	4	0	9
	2022	4	0	5	3	0	6
Ohio	2023	6	0	0	2	0	4
	2024	4	0	1	0	0	5
	2022	0	0	3	0	0	3
Oklahoma	2023	3	0	0	1	0	2
	2024	2	0	1	1	0	2
	2022	1	0	0	0	0	1
Oregon	2023	1	0	0	0	0	1
_	2024	1	0	1	1	0	1
	2022	0	0	0	0	0	0
Pennsylvania	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2022	0	0	0	0	0	0
South Carolina	2023	0	1	0	0	0	1
	2024	1	0	0	1	0	0
	2022	1	0	3	2	0	2
Texas	2023	2	1	0	1	0	2
	2024	2	0	5	3	0	4
	2022	1	0	0	0	1	0
Utah	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2022	1	0	0	0	0	1
Virginia	2023	1	1	0	1	0	1
-	2024	1	0	2	1	0	2
	2022	1	0	0	0	0	1
Washington	2023	1	0	1	0	0	2
	2024	2	0	0	1	0	1
	2022	33	0	19	11	5	36
Totals	2023	36	9	8	14	1	38
	2024	38	0	34	15	0	57

Table No. 5

### **Projected Openings As Of June 30, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Alabama	0	2	0
Arizona	0	2	0
California	0	5	0
Colorado	0	2	0
Connecticut	0	3	0
Florida	0	5	0
Georgia	0	4	0
Illinois	0	2	0
Indiana	0	2	0
Kansas	0	1	0
Maine	0	2	0
Maryland	0	1	0
Massachusetts	0	4	0
Michigan	0	3	0
Minnesota	0	1	0
Nebraska	0	1	0
New Hampshire	0	1	0
New Jersey	0	2	0
New Mexico	0	1	0
New York	0	2	0
Oregon	0	1	0
Pennsylvania	0	2	0
Rhode Island	0	2	0
South Carolina	0	2	0
Tennessee	0	1	0
Texas	0	3	0
Virginia	0	1	0
Washington	0	1	0
Totals	0	59	0

### **GREET PUBLICATIONS**

Table No. 1

#### Systemwide Outlet Summary For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2022	19	29	+10
Franchised	2023	29	33	+4
	2024	33	42	+11
	2022	0	0	0
Company-Owned	2023	0	1	+1
	2024	1	3	+2
Total Outlets	2022	19	29	+10
	2023	29	34	+5
	2024	34	45	+13

**Notes:** All numbers are as of our fiscal year end, which is June 30.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
	2022	0
Pennsylvania	2023	0
	2024	1
	2022	1
Texas	2023	0
	2024	0
	2022	0
Washington	2023	0
	2024	2
	2022	1
Totals	2023	0
	2024	3

**Notes:** All numbers are as of our fiscal year end, which is June 30.

Table No. 3 Status of Franchised Outlets For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2022	1	0	0	0	0	1	0
Alabama	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	5	2	0	0	1	1	5
California	2023	5	1	0	0	0	0	6
	2024	6	3	0	0	0	1	8
	2022	0	1	0	0	0	0	1
Connecticut	2023	1	2	0	0	0	1	2
	2024	2	2	0	0	0	3	1
	2022	0	0	0	0	0	0	0
Connecticut	2023	0	0	0	0	0	0	0
Connecticut	2024	0	1	0	0	0	0	1
	2022	0	0	0	0	0	0	0
Georgia	2023	0	1	0	0	0	1	0
	2024	0	0	0	0	0	0	0
Idaho	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	2	1
	2024	1	0	0	0	0	0	1
	2022	1	2	0	0	0	1	2
Illinois	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2022	0	0	0	0	0	0	0
Kansas	2023	0	1	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2022	1	0	0	0	0	0	1
Massachusetts	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	1	2
	2022	0	0	0	0	0	0	0
Michigan	2023	0	1	0	0	0	0	1
3	2024	1	1	0	0	0	1	1
	2022	0	0	0	0	0	0	0
Mississippi	2023	0	0	0	0	0	0	0
wiississippi	2024	0	1	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Montana	2023	0	0	0	0	0	0	0
	2024	0	1	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 Year
2.7	2022	1	0	0	0	0	0	1
New Hampshire	2023	1	0	0	0	0	0	1
Hampshire 2	2024	1	0	0	0	0	0	1
	2022	0	0	0	0	0	0	0
New Mexico	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2022	0	0	0	0	0	0	0
Nevada	2023	0	0	0	0	0	0	0
Nevada	2024	0	1	0	0	0	1	0
	2022	0	0	0	0	0	0	0
New Jersey	2023	0	1	0	0	0	1	0
	2024	0	1	0	0	0	1	0
	2022	1	1	0	0	0	0	2
North Carolina 2	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	1	0
Ohio	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	2	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oklahoma	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2022	1	1	0	0	0	0	2
Oregon	2023	2	0	0	0	0	1	1
, 01 <b>0g</b> 011	2024	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	1	1
	2022	2	0	0	0	0	0	2
Rhode Island	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
~ .1	2022	0	1	0	0	0	0	1
South Carolina	2023	1	0	0	0	0	1	0
Caronna	2024	0	3	0	0	0	1	2
	2022	3	1	0	0	0	1	3
Texas	2023	3	0	0	0	1	0	2
	2024	2	6	0	0	0	2	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2022	0	0	0	0	0	0	0
Utah	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Virginia	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2022	0	6	0	0	0	0	6
Washington	2023	6	8	0	0	0	4	10
	2024	10	3	0	0	1	3	9
	2022	19	15	0	0	1	4	29
Totals	2023	29	20	0	0	1	15	33
	2024	33	30	0	0	1	20	42

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2022	0	0	0	0	0	0
Colorado	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2022	0	0	0	0	0	0
Texas	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1
	2022	0	0	0	0	0	0
Washington	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
	2022	0	0	1	1	0	0
Totals	2023	0	0	1	0	0	1
	2024	1	1	1	0	0	3

Table No. 5

#### Projected Openings As Of June 30, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	2	0
Idaho	0	4	0
Louisiana	0	2	0
Oregon	0	2	0
Washington	0	4	0
Totals	0	14	0

#### Notes:

The name, business address, and business telephone number of each current franchisee on June 30, 2024 are listed on Exhibit C.

We have listed for the period from July 1, 2023 through June 30, 2024, the name, city, state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a Franchised Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, or who has not communicated with us within 10 weeks of the date of issuance of this disclosure document are listed on Exhibit D.

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

As of June 30, 2024, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the franchise system.

As of the date of this disclosure document, there are no franchisee organizations created, sponsored, or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

#### **ITEM 21. FINANCIAL STATEMENTS**

Attached as Exhibit A are our audited financial statements for the periods July 1, 2021 to June 30, 2022, July 1, 2022 to June 30, 2023, and July 1, 2023 to June 30, 2024. Our fiscal year ends June 30.

#### **ITEM 22. CONTRACTS**

Attached to this disclosure document are the following contracts and their attachments:

- 1. Franchise Agreement, and all attachments, and all applicable State-specific Amendments
- 2. AD Services Agreement
- 3. Form of General Release
- 4. Sample Transfer Agreement and Consent; Sample Assignment and Assumption Agreement

#### **ITEM 23. RECEIPTS**

Attached as the last two pages of this disclosure document are two Receipts. When you receive this disclosure document, you must sign both Receipts and return one to us, retaining the other for your records.

## EXHIBIT A FINANCIAL STATEMENTS

## N2 Franchising, Inc.

### **Financial Statements**

As of June 30, 2024 and 2023 and for the years ended June 30, 2024, 2023 and 2022

### N2 Franchising, LLC

### **Table of Contents**

# As of June 30, 2024 and 2023 and for the years ended June 30, 2024, 2023 and 2022

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#### **Independent Auditor's Report**

To the Stockholders N2 Franchising, Inc. Wilmington, North Carolina

#### **Report on the Financial Statements**

#### Opinion

We have audited the financial statements of N2 Franchising, Inc. (the "Company"), which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of operations, changes in stockholders' equity and cash flows for the years ended June 30, 2024, 2023 and 2022, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of N2 Franchising, Inc. as of June 30, 2024 and 2023 and the results of its operations, changes in stockholders' equity and cash flows for the years ended June 30, 2024, 2023 and 2022 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 required to be independent of N2 Franchising, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about N2 Franchising, Inc.'s ability to continue as a going concern within one year from the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, 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:

- 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 to design audit procedures that are
  appropriate in the circumstances, but not for the purpose of expressing an opinion on the
  effectiveness N2 Franchising, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of, significant
  accounting estimates made by management, as well as evaluate the overall presentation of the
  financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about N2 Franchising, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

A+G LLP

Dallas, Texas September 26, 2024

Assets

\$ 5,661,905	\$ 8,864,014
1.*	260,000
224,718	301,044
16,039	22,434
3,998,969	337,428
9,901,631	9,784,920
17,426	X=
	224,718 16,039 3,998,969 9,901,631

\$ 9,919,057

5,867,617

\$ 9,919,057

\$ 9,784,920

5,326,981

9,784,920

\$

### Liabilities and Stockholders' Equity

Total stockholders' equity

Total liabilities and stockholders' equity

#### Cu

Total assets

Current liabilities:			
Accounts payable	\$ 230,528	\$	234,627
Accrued expenses	3,692,199		4,002,099
Taxes payable	 128,713	:: <u>-</u>	221,213
Total current liabilities	4,051,440		4,457,939
Stockholders' Equity:			
Common stock, \$0.001 par value, 1,000,000 shares			
authorized; 110,000 shares issued and outstanding	110		110
Additional paid-in capital	2,969,732		2,969,732
Retained earnings	 2,897,775	702	2,357,139

			differinging, me.
Statements of Operations			
For the years ended June 30,	2024	2023	2022
Revenue:			
Sales services revenue	\$ 77,450,854	\$ 77,776,240	\$ 72,233,287
Cost of revenue:			
Direct personnel cost	128,162	191,896	94,810
Commissions	58,361,946	59,767,291	60,168,191
Total cost of revenue	58,490,108	59,959,187	60,263,001
Gross profit	18,960,746	17,817,053	11,970,286
General and administrative expenses:			
Advertising and marketing	6,260,745	6,731,977	6,571,190
Management fees	6,048,000	4,800,000	1,500,000
Personnel cost	3,812,198	4,289,814	3,275,057
Professional fees	158,304	181,609	198,873
Other general and administrative expenses	2,137,504	797,670	814,157
Total general and administrative expenses	18,416,751	16,801,070	12,359,277
Income (loss) from operations	543,995	1,015,983	(388,991)
Other income (expense):			
Other income	75,877	37,271	8,928
Gain on extinguishment of debt		.50	387,668
Interest income (expense)	128,182	: <u>-</u>	(24,833)
Total other income (expense)	204,059	37,271	371,763
Income (loss) before provision (benefit) for income taxes	748,054	1,053,254	(17,228)
Provision (benefit) for income taxes	207,418	357,481	(112,778)
Net income	\$ 540,636	\$ 695,773	\$ 95,550

#### Statements of Changes in Stockholders' Equity

	Commo	n Sto	ock	Me	mbers'	Additional Paid-In	Retained	Total
	Shares	Ar	nount	Е	quity	Capital	Earnings	Equity
Balance at June 30, 2021	100,000	\$	100	\$	(##X)	\$ 1,069,742	\$ 1,565,816	\$ 2,635,658
Net income	-		Η.		•	-	95,550	95,550
Conversion to notes payable - stockholders	10,000		10		-	1,899,990		1,900,000
Balance at June 30, 2022	110,000		110		6 <u>1</u> 6	2,969,732	1,661,366	4,631,208
Net income	-		¥		( <u>4</u> )	-	695,773	695,773
Balance at June 30, 2023	110,000		110		(44)	2,969,732	2,357,139	5,326,981
Net income	-		Ξ		•	-	540,636	540,636
Balance at June 30, 2024	110,000	\$	110	\$	(5)	\$ 2,969,732	\$ 2,897,775	\$ 5,867,617

Statements of Cash Flows		0004		0000		0000
For the years ended June 30,		2024		2023		2022
Operating Activities						
Net income	\$	540,636	\$	695,773	\$	95,550
Adjustments to reconcile net income (loss) to net						
cash provided (used) by operating activities:						
Gain on extinguishment of debt		-		-		(387,668)
Deferred income taxes		(17,426)		169,851		(169,851)
Changes in operating assets and liabilities:						
Income tax receivable		260,000		2		(260,000)
Prepaid expenses		76,326		(19,473)		(168,185)
Prepaid taxes		6,395		14,888		6,277
Due from affiliate		(3,661,541)		4,082,141		(2,755,413)
Accounts payable		(4,099)		(26,511)		245,388
Accrued expenses		(309,900)		9,301		625,217
Taxes payable		(92,500)		168,387		(13,986)
Long-term bonus payable				-		(333,334)
Net cash provided (used) by operating activities		(3,202,109)		5,094,357	1.4	(3,116,005)
Investing Activities				200	. <u>.</u>	
Net cash provided by investing activities				=		Ē
Financing Activities						
Net cash provided by financing activities						=
Net increase (decrease) in cash and cash equivalents		(3,202,109)		5,094,357		(3,116,005)
Cash and cash equivalents, beginning		8,864,014		3,769,657		6,885,662
Cash and cash equivalents, ending	\$	5,661,905	\$	8,864,014	\$	3,769,657
Complemental Biochemical Control Florida Information						
Supplemental Disclosure of Cash Flow Information	•		<b>a</b>		¢.	76 067
Interest paid	\$	247 244	Ф	10.242	Ф	76,967
Income taxes paid	\$	317,344	\$	19,243	\$	71,059
Non-cash operating and financing activities in con		tion with exti	ngu	ishment of a		
Extinguishment of accrued interest	\$		\$	·	\$	5,868
Extinguishment of long-term debt	\$		\$		\$	381,800
Non-cash financing activities in connection with co	onv	ersion of note	es p	ayable - stoc	khc	olders
Conversion of notes payable - stockholders	\$	( <del>)=</del> ()	\$		\$	1,900,000

#### 1. Organization and Operations

#### **Description of Business**

N2 Franchising, Inc., a Delaware corporation, originally formed as N2 Franchising, LLC (the "LLC"), a Delaware limited liability company on October 26, 2016, pursuant to a plan of conversion the Company converted to a Delaware corporation effective July 1, 2019 (the "Conversion"). References in these financial statement footnotes to "Company", "N2 Franchising", "we", "us" and "our" refer to N2 Franchising, Inc.

In connection with the Conversion, effective July 1, 2019, all of the outstanding membership interests of the LLC immediately prior to the Conversion were converted into 100,000 shares of common stock, \$0.001 par value per share, of the Company. In December 2021, the Company issued 10,000 shares of common stock as repayment of the balances due under the notes payable to stockholders. As of June 30, 2024 and 2023, the Company had 110,000 shares issued and outstanding.

The Company was formed for the purpose of selling franchised businesses that facilitate publishing and selling advertising for magazines, newsletters, and/or directories for residential communities, cities, towns, and villages under the STROLL or GREET (formerly N2 PUBLISHING®) trade names and business system ("N2 Business"). An affiliate of the Company, N2 Company, originally formed as Neighborhood Networks Publishing, Inc. ("N2 Company"), has licensed the trademarks and the proprietary system to the Company under a non-exclusive and perpetual license agreement (the "License"). The License grants the Company the right to use the trademarks and the proprietary information related to the system for licensing them to franchisees of the Company.

In November 2017, the Company formed a new program for the purpose of selling franchised businesses that facilitate publishing and selling advertising for magazines, newsletters, and/or directories for companies, individuals, and/or organizations interested in or connected to the real estate industry under the REAL PRODUCERS® trade name and business system ("RP Business").

In December 2018, the Company formed a new program for the purpose of selling franchised businesses that facilitate publishing and selling advertising for magazines, newsletters, and/or directories for individuals who are newcomers to a particular area under the BELOCAL® trade name and business system ("BL Business").

References in these financial statement footnotes to "Franchised Business" refer collectively to N2 Business, RP Business, and BL Business.

#### N2 Business

Franc	hised	Outlets
-------	-------	---------

	-		Closed or Ceased Operations –		
Year	Start of Year	Opened	Other reasons	End of Year	
2022	627	408	519	516	
2023	516	252	220	548	
2024	548	360	362	546	

#### Affiliate-owned Outlets

			Closed or Ceased Operations –	
Year	Start of Year	Opened	Other reasons	End of Year
2022	33	19	16	36
2023	36	17	15	38
2024	38	34	15	57

#### 1. Organization and Operations (continued)

#### **RP Business**

_	-			
	 -	1000	Out	-

			Closed or Ceased Operations –		
Year	Start of Year	Opened	Other reasons	End of Year	
2022	109	120	109	120	
2023	120	29	18	131	
2024	131	33	27	137	

#### Affiliate-owned Outlets

			Closed or Ceased Operations –	
Year	Start of Year	Opened	Other reasons	End of Year
2022	0	0	0	0
2023	0	0	0	0
2024	0	1	0	1

#### **BL Business**

#### Franchised Outlets

			Closed or Ceased Operations –		
Year	Start of Year	Opened	Other reasons	End of Year	
2022	111	138	110	139	
2023	139	67	52	154	
2024	154	60	81	133	

#### **Affiliate-owned Outlets**

		Closed or Ceased Operations –			
Year	Start of Year	Opened	Other reasons	End of Year	
2022	3	5	7	1	
2023	1	3	1	3	
2024	3	10	3	10	

#### **Going Concern**

Management has evaluated our ability to continue as a going concern as of June 30, 2024. Due to the positive income and liquidity position of the Company, we have concluded that there is not significant doubt about our ability to continue as a going concern.

#### 2. Significant Accounting Policies

#### **Basis of Accounting**

The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

#### **Use of Estimates**

The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates, among others, are used for the revenue recognition and income taxes. Actual results could differ from those estimates.

#### **Fiscal Year**

Our fiscal year begins on July 1 and ends on June 30.

#### **Comparative Financial Statements**

Certain prior period amounts have been reclassified to conform to current year presentation.

#### Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

#### **Fair Value Measurements**

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, prepaid expenses, accounts payable, and accrued expenses. The carrying values of cash and cash equivalents, prepaid expenses, accounts payable, and accrued expenses are considered to be representative of their respective fair values due to the short-term nature of these instruments.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets and liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

At June 30, 2024, we had no significant non-financial assets or liabilities that required a fair value measurement on a recurring basis and did not have transfers between levels of the fair value hierarchy of assets measured at fair value during the year.

#### 2. Significant Accounting Policies (continued)

#### Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

The Company's primary sources of revenue are as follows:

#### Franchise fee revenue

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the Franchised Business. This initial fee has been waived by the Company for the years ended June 30, 2024, 2023, and 2022. A franchise agreement establishes a Franchised Business developed in a defined geographic area and provides for a three-year term. Subject to the Company's approval, a franchisee may transfer a franchise to a new or existing franchisee, at which point a transfer fee is typically paid by the current owner which then terminates that franchise agreement. A franchise agreement is signed with the new franchisee.

Under the terms of our franchise agreements, the Company typically promises to provide franchise rights, pre-opening services such as operational materials and functional training courses, and ongoing services such as remedial training and access to our administration manual. The Company considers certain pre-opening activities and the franchise rights and related ongoing services to represent two separate performance obligations. The franchise fee revenue has been allocated to the two separate performance obligations using a residual approach. The Company has estimated the value of performance obligations related to certain pre-opening activities deemed to be distinct based on cost plus an applicable margin, and assigned the remaining amount of the initial franchise fee to the franchise rights and ongoing services. Revenue allocated to preopening activities is recognized when (or as) these services are performed, no later than the opening date. Revenue allocated to franchise rights and ongoing services is deferred until the Franchised Business opens, and is recognized on a straight line basis over the duration of the franchise agreement as this ensures that revenue recognition aligns with the franchise agreement.

#### Sales services revenue

Pursuant to a services agreement with N2 Company, the Company provides sales services which includes the management of the system of selling print advertising by its Franchised Businesses in one or more of N2 Company's publications. This revenue is recognized as earned.

#### Advertising and marketing

All costs associated with advertising and marketing are expensed in the period incurred.

#### 2. Significant Accounting Policies (continued)

#### **Income Taxes**

The Company is taxed as a C-Corporation. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and general and administrative expenses, respectively.

#### **Recently Adopted Accounting Pronouncements**

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", and subsequent amendments to the initial guidance, ASU 2019-10. This accounting standard changes the methodology for measuring credit losses on financial instruments, including trade accounts receivable, and the timing of when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2022. The Company adopted this standard as of July 1, 2023, using the modified retrospective approach and it did not have a material impact on its financial statements.

#### **Recent Accounting Pronouncements**

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740) - Improvements to Income Tax Disclosures". The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions and applies to all entities subject to income taxes. ASU 2023-09 will be effective for annual periods beginning after December 15, 2025. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU No. 2023-09 on its financial statements.

We reviewed other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

#### 3. Certain Significant Risks and Uncertainties

The Company maintains its cash in a bank deposit account that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in one financial institution.

The Company derives its sales services revenue from one customer, its affiliate, N2 Company. In the normal course of business, the Company provides credit to its affiliate and does not require collateral.

#### 4. Long-term Debt

On April 14, 2020, the Company received a loan of \$381,800 from Live Oak Banking, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020. Monthly principal and interest payments are deferred for six months from the date of the promissory note. The PPP Loan is unsecured, matures on April 14, 2022 and bears interest at a rate of 1% per annum. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties.

On August 9, 2021, the PPP loan in the amount of \$381,800 and related accrued interest was forgiven by the Small Business Administration ("SBA"). The amount forgiven was recognized as a gain on extinguishment of debt during the month ending August 31, 2021.

#### 5. 401(k) Savings Plan

The Company sponsors a defined contribution 401(k) plan covering all eligible employees. To participate in the plan for the purposes of 401(k) elective deferral contributions, an employee must be 18 years of age or older and must have completed 90 days of service. Participants can elect to contribute through salary deductions a maximum of \$23,000, \$22,500, and \$20,500 for the calendar years ending December 31, 2024, 2023, and 2022, respectively. The Company will contribute a matching contribution equal to 100% of the employee 401(k) elective deferral contributions which are not over 3% of the employee's pay, plus 50% of the employee 401(k) elective deferral contributions which are over 3% of the employee's pay, but are not over 5% of the employee's pay. Vesting of matching contributions occurs over the period of 6 years. Employer contributions to the plan during the years ended June 30, 2024, 2023 and 2022, were \$153,801, \$173,100 and \$164,839 respectively.

#### 6. Related Party Transactions

#### Transactions with affiliate

During the years ended June 30, 2024, 2023 and 2022, the Company provided sales services to N2 Company. This revenue is included in sales services revenue in the statements of operations and were \$77,450,854, \$77,776,240 and \$72,233,287 for the years ended June 30, 2024, 2023 and 2022, respectively.

During the years ended June 30, 2024, 2023 and 2022, the Company's affiliate N2 Company provided accounting, marketing and other operating services for the Company. These costs are included in management fees in the statements of operations and were \$6,048,000, \$4,800,000 and \$1,500,000 for the years ended June 30, 2024, 2023 and 2022, respectively.

As of June 30, 2024 and 2023, the Company had an amount of \$3,998,969 and \$337,428, respectively, due from its affiliate. Had these transactions occurred as unrelated third party transactions, the financial results may have varied significantly.

#### Notes payable - stockholders

On July 1, 2019, in connection with the Conversion, the Company characterized a portion of members' equity as notes payable to the stockholders, issuing promissory notes to its stockholders in the amount of \$1,900,000. These notes bear interest at 2.5% per annum with principal due at maturity. In December 2021 the shareholders converted these notes into 10,000 shares of common stock. At June 30, 2024 and 2023, the Company had a balance due to its stockholders in the amount of \$0 and \$0, respectively. For the years ended June 30, 2024, 2023 and 2022, the Company recognized interest expense related to these promissory notes in the amount of \$0, \$0 and \$23,815, respectively.

#### 7. Income Taxes

The provision (benefit) for income taxes consists of the following for the years ended June 30:

	2024	2023	2022	
Current:	500	W W	¥2	
Federal	\$ 167,774	\$ 113,338	\$ -	
State	57,070	74,292	57,073	
Deferred:	27 1990 20			
Federal	\$ (14,638)	\$ 94,502	\$ (94,502)	
State	(2,788)	75,349	(75,349)	
Net provision (benefit) for income taxes	\$ 207,418	\$ 357,481	\$ (112,778)	

The following is a reconciliation of the expected federal income tax provision at the statutory rate of 21% to the actual provision for income taxes for the years ended June 30:

	2024	2023	2022
Expected tax provision (benefit) at statutory rates:	\$ 145,107	\$ 221,183	\$ (15,603)
State taxes, net of federal effect	42,883	118,217	(14,438)
Permanent	10,911	446	(80,887)
Other	8,517	17,635	(1,850)
Provision for income taxes	\$ 207,418	\$ 357,481	\$ (112,778)

Temporary differences comprising the deferred tax asset are as follows as of June 30:

	2024	20	)23
Deferred tax asset:	<del>8</del>	\$ <del>\$</del> 3	
Charitable Contributions	\$ 17,426	\$	-

The Company's management periodically assess the likelihood that it will be able to recover its deferred tax asset. Management considers all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible profits.

The Company files income tax returns in the U.S. federal jurisdiction and the states of in which it operates. The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Company is subject to examination by taxing jurisdictions for the years and periods ended subsequent to June 30, 2020.

In accordance with FASB ASC 740-10, *Income Taxes*, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

The Company has analyzed tax positions taken for filing with the jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2024 and 2023.

#### 8. Commitments and Contingencies

The Company is party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of the management, all matters are of such nature, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

#### 9. Subsequent Events

The Company has evaluated subsequent events through September 26, 2024, the date the financial statements were available to be issued.

# EXHIBIT B FRANCHISE AGREEMENT (WITH ATTACHMENTS AND STATE-SPECIFIC AMENDMENTS)

#### N2 FRANCHISING, INC. FRANCHISE AGREEMENT

Name of Franchisee		
S	Street Addr	ess
City	State	Zip Code
	Telephone	9
Fran	chisee ID N	umber

Form dated: October 12, 2024 FDD dated: October 12, 2024

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STATE-SPECIFIC AMENDMENTS

#### **N2 FRANCHISING, INC. FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("Agreement") is entered into by and between N2 Franchising, Inc., a Delaware corporation ("Franchisor"), and [name of franchisee entity], a [name of state where entity is filed and type of entity or an individual] ("Franchisee"), and will be effective on the date signed by Franchisor ("Effective Date"). Capitalized terms used in this Agreement are defined in Attachment A, hereto, unless otherwise defined herein.

#### RECITALS

- A. Franchisor's affiliate, The N2 Company ("N2 Co."), operates a business that sells marketing services, creates and sells print and digital advertising, and owns and publishes magazines, newsletters, and/or directories ("publications") for the residents and visitors of neighborhoods, cities, towns, villages, and other residential communities ("Communities") and for members of specific commercial or professional industries or groups and specific retail or special interest groups ("Industry Groups").
- B. Franchisor has the right to use and license the use of a system ("System") for the establishment and operation of franchised businesses that sell print advertising to businesses that wish to advertise in one or more print publications, that facilitate the publishing of publications, sell digital advertising services, organize local events, solicit and compile content for the publications, and that develop relationships among residents of Communities and members of Industry Groups, all under the Marks ("Franchised Business"). The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the trademark(s) set forth in Attachment B and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System ("Marks"). Franchisor licenses to others the right to manage publications under various brand names and systems, and such publications are collectively referred to herein as "N2 publications." Any publication managed by Franchisor's affiliates is also an "N2 publication."
- C. The distinguishing characteristics of the System include, without limitation, specifications, policies and procedures for operations; quality of the products and services offered; procedures for sales, management, and financial control; customer service; training and assistance; and advertising and promotional programs, all of which may be changed, improved, and further developed by Franchisor from time to time.
- D. Franchisee wishes to obtain the right to establish and operate a Franchised Business whereby Franchisee will sell print advertising, solicit and compile content, and facilitate the publishing of a print publication ("**Publication**") to be distributed within the non-exclusive geographic area ("**Territory**") identified in <u>Attachment B</u> to this Agreement, using the Marks and the System.
- E. N2 Co. also owns and operates a business selling digital marketing goods and services ("Hyport Digital"). The System also includes the systems for soliciting leads for and managing client relationships with Hyport Digital. The Hyport Digital trademarks are included in the definition of "Marks." Franchisor desires to grant Franchisee the opportunity, but not the obligation, to solicit leads for and facilitate client relationships with Hyport Digital as part of the Franchised Business.
- F. Franchisor is willing to grant Franchisee a franchise to operate a Franchised Business in accordance with the terms and conditions of this Agreement in reliance on Franchisee's application and Franchisee's representations made in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### **AGREEMENT**

#### 1. **GRANT**

- Grant of Rights. Franchisor hereby grants Franchisee the non-exclusive right and license, and Franchisee hereby accepts the right and obligation, to establish and operate the Franchised Business. Franchisee acknowledges and agrees that this Agreement grants Franchisee the right to operate only the Franchised Business and to distribute the Publication only to Communities and Industry Groups located within the Territory set forth in Attachment B. Franchisee has no right to distribute the Publication to any person or community outside of Franchisee's Territory. Franchisee has the right to solicit advertisers inside or outside of its Territory to sell print advertisements that would be included in the Publication or in other N2 publications and the associated digital advertising services, but subject to the limitations set forth in this Agreement and only in compliance with Franchisor's then-current digital advertising policies, cross-selling policies, and Franchise Brand Standards Manual. Franchisee must at all times comply with Franchisor's then-current print advertising policies, digital advertising policies, and the Franchise Brand Standards Manual. Franchisor also has the right to require Franchisee to sell packages of advertising goods and services, which may include print and digital components. Notwithstanding anything in this Agreement to the contrary, Franchisor has the right to restrict Franchisee from offering or selling advertisements in any form to any client or prospective client at any time. Franchisor has the right to allow other franchisees, affiliates of Franchisor, or any other party Franchisor deems appropriate to offer and sell advertising in any forms to clients located in Franchisee's Territory, without any liability to Franchisee. Franchisee shall obtain Franchisor's prior written consent before organizing an event that occurs more than 25 miles from Franchisee's Territory.
- Reserved Rights. The rights granted to Franchisee under this Agreement are nonexclusive, and Franchisee is not granted any territorial rights or other protection. Accordingly, Franchisor, its affiliates, and any other authorized person or entity will, without limitation, have the right (1) to develop and establish other business systems (including systems that distribute products or services similar to those offered by the Franchised Business) using the Marks, or other names or marks, and to grant licenses to use those systems at any location without providing any rights to Franchisee, (2) to advertise and promote any N2 publications, N2 Co. businesses, and the businesses of Franchisor's franchisees, anywhere, (3) to operate, and license others to operate, any Franchised Business, N2 publication franchised businesses, or any business of any of Franchisor's affiliates, anywhere, including locations that are inside, adjacent to, or surrounded by Franchisee's Territory, and (4) to engage, directly or indirectly, at wholesale, retail, or otherwise, in the production, distribution, license, and sale of all forms (including electronic forms) of magazines, newsletters, advertising, marketing, graphic and web design, or other services and products, under the Marks, or under other names or marks, at any location, including in the Territory, through any method of distribution, including, but not limited to, mail order catalogs and the Internet, regardless of the proximity to, or the competitive impact on, the Franchised Business. Franchisor has the sole discretion to change Franchisee's Territory, including its size, shape, boundaries, and population, upon ninety (90) days' notice to Franchisee.
- C. <u>Cross-publication Advertising.</u> Notwithstanding anything to the contrary herein, Franchisee acknowledges and agrees that other persons or entities may sell advertising for the Publication. These other persons or entities include, without limitation, Franchisor, Franchisor's affiliates, and other franchisees. In accordance with Franchisor's then-current cross selling policies, Franchisee may have the opportunity to sell advertising for other N2 publications.

D. Hyport Digital Sales. Franchisor hereby grants Franchisee the conditional, non-exclusive right and license, and Franchisee hereby accepts the right and option to solicit leads for and facilitate client relationships with Hyport Digital. Franchisee acknowledges and agrees that Franchisee may be required to complete and obtain certifications and training and meet other standards set forth in the Franchise Brand Standards Manual in order to conduct some or all of the foregoing activities. Franchisee acknowledges and agrees that these activities are optional and not required under the terms of this Agreement. Franchisee acknowledges and agrees that its opportunity to solicit leads for and facilitate client relationships with Hyport Digital is subject to all of the terms of this Agreement and standards in the Franchisee Brand Standards Manual and is part of its operations of the Franchised Business. If Franchisee fails to comply with any requirements pertaining to Hyport Digital, including without limitation, its goods, services, clients, operations, and trademarks, Franchisee shall be in default under this Agreement. Franchisee's rights to solicit leads for and facilitate client relationships with Hyport Digital are conditioned upon Franchisor maintaining the Hyport Digital sales program. Franchisor has the right to modify (including eliminate) Franchisee's rights with respect to Hyport Digital in its sole discretion. The goods and services offered by Hyport Digital may be changed in Franchisor's affiliate's sole discretion.

#### 2. TERM AND RENEWAL

- A. <u>Term; Opening Date</u>. The term of this Agreement will begin on the Effective Date and will continue until three years from the Effective Date ("**Term**"), unless terminated earlier in accordance with this Agreement. Franchisee must commence business with the public no later than 60 days after the Effective Date, unless Franchisee obtains a written extension of such time period from Franchisor. Franchisee must obtain authorization from Franchisor to commence operations.
- B. <u>Renewal</u>. This Agreement and the rights granted by this Agreement are not renewable, and Franchisee has no expectation of any right to extend or renew the Term.

#### 3. FEES

- A. <u>Initial Franchise Fee</u>. Unless otherwise specified in Attachment B, Franchisor hereby waives the initial franchise fee of \$735.
- B. <u>Extra Orders Fee.</u> If Franchisee requests extra copies of an issue of the Publication after the original printing of the issue, Franchisee shall pay Franchisor or its affiliates an extra copy orders fee in the amount then set forth in the Franchise Brand Standards Manual, which Franchisor or its affiliates may change from time to time in their sole discretion.
- C. <u>Adjustment Fee.</u> After Franchisor receives from Franchisee the content to be included in an issue of the Publication, Franchisor or its affiliate will provide Franchisee a proof copy of the edit issue. If Franchisee requests that Franchisor make any changes to the layout or content of the proof copy, then Franchisee must pay Franchisor or its affiliate the then-current adjustment fee assessed to make such changes, in accordance with Franchisor's then-current adjustment policy, as set forth in the Franchise Brand Standards Manual, which Franchisor or its affiliates may change from time to time in their sole discretion.
- D. <u>Design Revision Fee</u>. If Franchisee submits to Franchisor an excessive number of design revision requests, Franchisor reserves the right to charge an additional fee. The definition of excessive requests and the amount of the fee are set forth in the Franchise Brand Standards Manual, which Franchisor or its affiliates may change from time to time in their sole discretion.
- E. <u>Missed Deadline Fee and Late Revisions Fee</u>. If Franchisee fails to submit to Franchisor or its affiliate the content required to publish any of the Publication's issues by the applicable deadline

communicated to Franchisee by Franchisor or its affiliate, then Franchisor reserves the right to require Franchisee to pay Franchisor or its affiliate the then-current missed deadline fee, as set forth in the Franchise Brand Standards Manual, which Franchisor or its affiliates may change from time to time in their sole discretion. If Franchisee fails to timely review, make, or accept revisions to the Publication during certain stages of the publication process, then Franchisor reserves the right to require Franchisee to pay Franchisor or its affiliate the then-current late revisions fee, as set forth in the Franchise Brand Standards Manual, which Franchisor or its affiliates may change from time to time in their sole discretion.

- F. Optional Services Fee. If Franchisee elects to use Franchisor's or its affiliate's optional services (as those services may change from time to time), Franchisee shall sign the then-current form of services agreement and pay the then-current fees.
- G. <u>Lead Generation Fee.</u> If Franchisor or its affiliates provide Franchisee with lead generation services, Franchisee shall pay the then-current lead generation fee assessed, as set forth in the Franchise Brand Standards Manual, which Franchisor or its affiliates may change from time to time in their sole discretion.
- H. <u>Franchisor's Right to Deduct</u>. Franchisor shall have the right to deduct or withhold any fees assessed by Franchisor or amounts due from Franchisee to Franchisor or its affiliates from Franchisee's Commissions.

#### 4. **COMMISSIONS**

- Commission Payments. Franchisor will calculate Commissions on an issue-by-issue basis and will pay Franchisee a monthly Commission based on the aggregate of all monthly Commissions earned for each of Franchisee's N2 publications (if Franchisee manages more than one N2 publication), unless the calculation of the Commission equals a Negative Commission, in which case, Franchisee will not receive a Commission in such month, and the amount of the Negative Commission will continue to be due and will be deducted from Cash Received in subsequent month(s) as part of the Commission(s) calculation for such subsequent month(s). Franchisor reserves the right to make Commission payments based upon estimates of payments it or its affiliate will receive in connection with Advertising Contracts (defined below), and it and its affiliate reserve the right to refund, for any reason, payments made by advertisers. Commission payments will be accompanied by a Commissions accounting and reconciliation report. If the Commissions report reflects that Franchisee has been paid a Commission in an amount that is more than Franchisee is due, then Franchisee must return to Franchisor the amount of overpayment ("Returnable Commissions"). Franchisee shall not be entitled to receive any payment after the final Commission payment that Franchisor makes to Franchisee following the termination, expiration, or transfer of this Agreement, for any reason. Franchisee shall not be entitled to receive any payment based upon past due monies associated with the Franchised Business that are collected by Franchisor or its affiliates after the termination, expiration, or transfer of this Agreement, for any reason. In addition to all requirements related to the printing of the first issue of the Publication and Franchisee's compliance with this Agreement generally, payment of Franchisee's first Commission is specifically conditioned upon Franchisee being a legal entity rather than an individual and securing and producing evidence of all insurance coverage required pursuant to Section 12.
- B. <u>Cross-Selling Fees</u>. Franchisee agrees and acknowledges that any Selling Franchisee that sells print advertising for the Publication shall be entitled to receive Franchisor's then-current Outgoing Cross-Selling Fee, and Franchisee shall be entitled to receive Franchisor's then-current Receiving Cross-Selling Fee. Further, if Franchisee sells print advertising for a publication that is the responsibility of another franchisee, then Franchisee will be eligible to receive Franchisor's then-current Outgoing Cross-Selling Fee for such sale(s), as set forth in the Franchisee Brand Standards Manual, provided Franchisee

complies with Franchisor's then-current policies, procedures, and guidelines related to cross-selling. Franchisor shall have the right to terminate Franchisee's right to cross-sell or this Agreement if Franchisee fails to comply with Franchisor's policies, procedures, and guidelines related to cross-selling. Currently, the Cross-Selling Fees are calculated as follows:

- (i) The Selling Franchisee will receive an Outgoing Cross-Selling Fee equal to 25% of the monthly Cash Received for each print advertisement sold by the Selling Franchisee that will be included in the publication managed by the Receiving Franchisee.
- (ii) The Receiving Franchisee will receive a Receiving Cross-Selling Fee equal to 75% of the monthly Cash Received for that print advertisement, less the Royalty of 15% of the Cash Received and the Publication Expenses.

Any time during the Term of this Agreement, with no prior notices unless otherwise required by law, Franchisor reserves the right to change the Cross-Selling Fee to be calculated as follows:

- (i) The Selling Franchisee would receive an Outgoing Cross-Selling Fee equal to 10% of the monthly Cash Received for each print advertisement sold by the Selling Franchisee into the publication managed by the Receiving Franchisee.
- (ii) The Managing Franchisee (as defined by Franchisor's then-current Franchise Brand Standards Manual) would receive a Managing Cross-Selling Fee equal to 30% of the monthly Cash Received for each print advertisement, less the Royalty of 15% of the Cash Received.
- (iii) The Receiving Franchisee would receive a Receiving Cross-Selling Fee equal to 60% of the monthly Cash Received for that print advertisement, less the Publication Expenses.
- C. <u>Pre-Print Commission</u>. If Franchisee cross-sells print advertising for inclusion in a publication managed by another franchisee or affiliate before the first issue of the Publication is published, then Franchisee may elect to receive a Pre-print Commission in lieu of the Outgoing Cross-Selling Fee. If Franchisee elects to receive a Pre-print Commission, Franchisor will pay Franchisee the Pre-print Commission within 20 days after the publication deadline of the publication in which the ad appears.
- D. Returnable Commissions. Franchisee and Principals are jointly and severally liable for, and will return all Returnable Commissions to, Franchisor. Franchisor may deduct the amount of any Returnable Commissions from future Commissions payable to Franchisee hereunder. After the termination or expiration of this Agreement, Franchisor will notify Franchisee and Principals of any Returnable Commissions, and Franchisee and Principals will have 15 days to return such Returnable Commissions to Franchisor. Franchisee and Principals acknowledge that any failure by Franchisee or Principals to return any Returnable Commissions to Franchisor within 15 days after any such notice is a breach of this Agreement for which Franchisor may pursue all legal and equitable remedies that may be available to it, including termination of this Agreement. If Franchisee fails to pay Returnable Commissions as required herein, and Franchisee elects, in its sole discretion, to pursue payment of any Returnable Commissions in collection, then Franchisee and Principals agree to pay such collection costs in addition to the Returnable Commissions owed. This Section 4.D. will survive the expiration or termination of this Agreement.
- E. <u>Content Submission Deadlines and Commission Payment Dates</u>. Within 30 days after Franchisee's first issue is published, Franchisor will, in its sole discretion, assign Franchisee a monthly deadline for advertising and content submission. The deadline will be communicated to Franchisee in writing, and Commissions, if any, will be paid to Franchisee within 30 days following Franchisee's assigned deadline.

- F. <u>Electronic Funds Transfer</u>. At Franchisor's request, Franchisee will execute <u>Attachment F</u> to this Agreement and all other documents necessary to permit Franchisor to credit or debit funds into Franchisee's designated bank account by electronic funds transfer ("**EFT**") in the amount of the Commission payments described in <u>Section 4.A.</u> and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Upon written notice to Franchisee, Franchisor may designate another method of payment.
- G. Taxes. As an independent business, Franchisee is responsible for all tax reporting requirements for Franchisee and Franchisee's employees, contractors, and representatives. Accordingly, Franchisee and Franchisor agree that Franchisor will not withhold, deduct, or pay income tax, social security, or any other payroll or other taxes or amounts for Franchisee's benefit or for the benefit of any and all personnel hired or contracted by Franchisee, including but not limited to, officers, directors, managers, employees, contractors, subcontractors, representatives, or agents ("Independent Staff"). Franchisee is solely responsible for filing all tax returns, tax declarations, and tax schedules, and for the payment of all taxes as required by law, including without limitation, local, state, and federal income taxes, Social Security taxes, Medicare taxes, unemployment compensation taxes, and any other federal, state, or local taxes, fees, or withholdings due for Franchisee. Franchisee is responsible for withholding, accruing, and paying all income, Social Security, Medicare, unemployment compensation taxes, and any other federal, state, or local taxes, fees, or withholdings relating to all Independent Staff, if any, as well as all statutory insurance and other benefits required by law for Franchisee and Independent Staff and all other benefits promised to the Independent Staff by Franchisee, if any.
- H. <u>Corporate Ads</u>. Franchisor and its affiliates have the right, but not the obligation, to place national, regional, or local advertisements or advertising inserts that have been solicited and obtained by Franchisor, Franchisor's affiliates, or a third party, without Franchisee's involvement, in the Publication in the size and format as determined by Franchisor in its sole discretion and at Franchisor's sole expense ("Corporate Ads"). Franchisee has no right to review and/or approve the form or content of such Corporate Ads. Franchisor may, but is not required to, pay Franchisee a commission with respect to any Corporate Ad. If Franchisor elects to pay Franchisee a commission for any particular Corporate Ad, such commission will be paid in accordance with Franchisor's then-current Corporate Ad commission policy, as set forth in the Franchise Brand Standards Manual, and the amount of such commission may be calculated in a different manner than the calculation of Commissions under <u>Section 4.A.</u>, in Franchisor's sole discretion. If any additional incremental expenses are incurred by Franchisor due to the placement of Corporate Ads, and Franchisor does not pay Franchisee a commission for such placements, the additional incremental expenses resulting from the Corporate Ad(s) in the Publication will not be included in Publication Expenses for purposes of calculating Franchisee's commission.
- I. <u>Cross-Selling into Publications Managed by Franchisor or its Affiliates.</u> Franchisor may, but is not obligated, to allow Franchisee to sell advertisements into N2 publications managed by Franchisor or its affiliates ("**Bridge Publications**"). Franchisee agrees to comply with Franchisor's then-current policies, procedures, and guidelines related to cross-selling if Franchisee is authorized to sell into Bridge Publications. If Franchisee is authorized to sell into Bridge Publications, Franchisee shall be entitled to a commission. Such commission will be paid in accordance with Franchisor's then-current commission policy, as set forth in the Franchise Brand Standards Manual, and the amount of such commission may be calculated in a different manner than the calculation of Commissions under <u>Section 4.A.</u>, in Franchisor's sole discretion. The amount of the commission shall always be at least the amount of the then-current fees Franchisor or its affiliates receive for selling Corporate Ads into the Publication.

Hyport Digital Sales Commission. If Franchisee elects to solicit leads for and facilitate client relationships with Hyport Digital, Franchisee shall be entitled to receive the then-current "HD Sales Commission." The amount, due date, calculation, and other details of the HD Sales Commission are subject to change in Franchisor's sole discretion. Franchisor may consider the following factors, among others, in establishing the HD Sales Commission: (1) the type of good or service Franchisee sells to the client, (2) the other goods and services the client purchases, (3) whether or not Franchisee referred the client to Hyport Digital, (4) the involvement of the Hyport Digital sales team, and (5) Franchisee's role in facilitating the relationship between the client and Hyport Digital. The HD Sales Commission is due, as applicable, (i) only to the first franchisee that introduces a new prospective lead to Hyport Digital who has not already been a client of Hyport Digital for the previous 12-month period and (ii) only if the client unconditionally and completely pays for goods and services purchased from Hyport Digital. The HD Sales Commission shall be calculated on the gross invoice price of the goods and services less all taxes, credits, discounts, rebates, or allowances (if any). The HD Sales Commission will be paid in the month following the client's unconditional and complete payment for purchased goods and services. To receive the HD Sales Commission, Franchisee must be in full compliance with all of the franchise agreements (including this Agreement) between Franchisee and Franchisor (and any other agreements with Franchisor's affiliates). Franchisee's opportunity to solicit leads for and facilitate client relationships with Hyport Digital and to receive the HD Sales Commission is conditioned on the continuance of the sales program. Franchisor reserves the right to modify and discontinue the program in Franchisor's sole discretion. The then-current HD Sales Commission will be set forth in the Franchise Brand Standards Manual.

#### 5. FRANCHISEE'S OBLIGATIONS, REPRESENTATIONS, AND WARRANTIES

- A. <u>Standards Compliance</u>. To protect the reputation and goodwill of Franchisor and to maintain the high standards of operation under the Marks, Franchisee must conduct its business in accordance with the Franchise Brand Standards Manual, other written directives which Franchisor may issue to Franchisee from time to time, and any other manuals and materials created or approved for use in the operation of the Franchised Business. Franchisee acknowledges and agrees that following System standards and maintaining uniformity among all Franchised Businesses is important. Franchisee further acknowledges and agrees that local conditions or other special circumstances may warrant a deviation from System standards, and Franchisor may, in its reasonable judgment, allow such deviation.
- B. Approved Products and Services. Franchisee must offer only the products and services that have been expressly approved for sale in writing by Franchisor and must offer all of the products and services that Franchisor requires; Franchisee must discontinue offering any products or services which Franchisor may, in its sole discretion, disapprove in writing at any time; and Franchisee must refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent. If Franchisor grants Franchisee the right to offer any products or services that are not contemplated by the Advertising Contracts described in Section 5.E.(1) below, then Franchisee will use the form of contract Franchisor requires to document the sale of the products or services, which form will require that all fees and amounts payable under such contracts must be paid directly to Franchisor or its affiliate or their designee, as applicable, in accordance with the terms thereof. Franchisee must not accept any payments from any purchaser of such products and/or services or in connection with complying with Franchisee's obligations under this Agreement. Franchisor may terminate this Agreement for Franchisee's failure to comply with the requirements set forth in this Section 5.B.
- C. <u>Approved Suppliers</u>. Franchisee must comply with all of Franchisor's requirements relating to the purchase of products, supplies, and/or services used or offered by the Franchised Business and if required, must purchase such items and/or services from suppliers approved by Franchisor, including without limitation payroll processing and insurers. Franchisee acknowledges and agrees that Franchisor may change the number of approved suppliers or distributors at any time and may designate itself, an

affiliate, or a third party as the exclusive source for any or all items or services. Franchisor or its affiliates may receive payments, discounts, or other compensation from suppliers on account of the suppliers' dealings with Franchisor, Franchisee, or other franchisees. Franchisor and its affiliates may use any amounts that it or they receive from suppliers for any purpose that Franchisor deems or they deem appropriate. Further if Franchisor and its affiliates sell any goods and services to Franchisee, Franchisor and its affiliates may make a profit. Franchisee hereby agrees that Franchisor and its affiliates are entitled to such profits, payments, discounts, or other compensation. Franchisee must receive prior, written approval from Franchisor before purchasing any products, supplies, or services from any supplier not already approved by Franchisor. If Franchisee desires to purchase, lease, or use any products, services, or other items from an unapproved supplier, Franchisee must submit to Franchisor a written request for such approval, or must request the supplier itself to make such request. When reviewing a product or supplier, Franchisor may consider various factors, including, but not limited to, pricing, quality, consistency, efficiency, effectiveness, control of and protection of proprietary information, ability to service the entire franchise system, data security, credit worthiness, and solvency. At Franchisor's request, Franchisee must pay or reimburse Franchisor for Franchisor's reasonable expenses incurred in the supplier approval process (whether or not approval of the supplier is granted). Franchisor has the right to require that its representatives be permitted to inspect the supplier's business premises, software, security systems, or procedures, and require that samples from the supplier be delivered, if applicable, either to Franchisor or to an independent laboratory designated by Franchisor, for testing. A charge, not to exceed the cost of the inspection and of the test (including Franchisor's administrative costs attributable to both), must be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the business premises and products of any such approved supplier. Franchisor has the right to revoke, in its sole discretion, the approval of any item or supplier that fails to meet Franchisor's standards. Nothing in the foregoing will be construed to require Franchisor to approve any particular supplier (even if it satisfies Franchisor's criteria), nor is Franchisor required to issue any supplier approval standards and specifications to Franchisees. Franchisor will give Franchisee 60 days prior written notice of its revocation of any previously approved supplier. Franchisee's failure to comply with the provisions of this Section 5.C. will be deemed a material breach under this Agreement.

#### D. Training.

- (1) Franchisee must successfully complete, as Franchisor determines, Franchisor's initial training program prior to commencing operations of the Franchised Business, which must be no later than 60 days after the Effective Date of this Agreement. Franchisee, Principals, and any other Independent Staff whom Franchisor may designate (for purposes of brand standards compliance and communications), must attend and complete any remedial or additional training that Franchisor may from time to time require. Franchisor may provide additional training in response to Franchisee's request in Franchisor's sole discretion. Initial training is provided at no additional charge to Franchisee, but Franchisee is responsible for all other costs associated with the training, which may include transportation, lodging, meals, wages, and other travel-related expenses. Franchisor reserves the right to provide the training in any form, whether it be in-person, virtual, or other electronic means.
- (2) If Franchisor requires, or if Franchisee requests additional or remedial training, attendees of additional or remedial training may be required to pay Franchisor's then-current rate for such additional or remedial training or tuition/attendance fees charged by other third-party providers of such training. Franchisee is responsible for all of its costs associated with training, including without limitation transportation, lodging, other travel-related costs, and wages. Training will be conducted at locations and using the methods designated by Franchisor.
- (3) If Franchisor requires, Franchisee must complete Franchisor's required training and certification program in order to solicit leads for and facilitate client relationships with Hyport Digital.

E. Management and Promotion of the Franchised Business. The Principal or operations manager named in Attachment E hereto must personally supervise and devote full-time attention to the day-to-day operations and management of the Franchised Business. Franchisee must obtain Franchisor's approval to use an operations manager and must obtain Franchisor's acceptance of the specific person serving as the operations manager. As applicable, the Principal must complete any training that Franchisor requires and execute the form of confidentiality, non-competition, and non-solicitation agreements that Franchisor requires. The operations manager must complete any training that Franchisor requires and execute the form of confidentiality and non-solicitation agreements that Franchisor requires. Franchisee shall give Franchisor advance written notice of any change in its operations manager. Franchisee, through its Principal and/or operations manager, must diligently promote the sale of, and stimulate interest in, advertising in the Publication that Franchisee manages, however Franchisee must not agree, represent, or warrant to any advertiser that such advertiser will have any exclusive advertising rights and/or protection from competing advertisers.

In promoting the Publication, Franchisee, its Principal(s), operations manager, and other representatives, must:

- Solicit contracts for print advertising in the Publication from advertisers and digital advertising services ("Advertising Contracts"), quoting prices and terms set by Franchisor or its affiliate (or otherwise approved by Franchisor in writing), and using the form contracts provided by Franchisor or its affiliate. To the fullest extent permitted by applicable law, Franchisor and/or its affiliate reserve the right to establish maximum, minimum, or other pricing requirements with respect to Advertising Contracts. All Advertising Contracts, or other contracts related to the Publication, must be between Franchisor or its affiliate and the Communities, Industry Groups, or advertiser, as applicable, and Franchisee will not be a party to, or a third-party beneficiary of, any such Advertising Contract or any other contract relating to the Publication. Additionally, all fees and amounts payable under the Advertising Contracts must be paid directly to Franchisor or its affiliate or their designee, as applicable, in accordance with the terms thereof, and Franchisee must not accept any payments from any advertiser, Industry Group, or Community, nor will Franchisee make payments on behalf of any Industry Group, Community, or advertiser for any reason. Franchisor may terminate this Agreement for Franchisee's failure to comply with the requirements set forth in this Section 5.E.(1). Franchisee shall not enter into Advertising Contracts or any other contract related to the Publication on Franchisor or its affiliate's behalf, and Franchisor and its affiliates are party to any Advertising Contract or any other contract related to the Publication, not Franchisee or its Principals.
- (2) Forward to Franchisor or its affiliate all Advertising Contracts or other contracts related to the Publication which have been executed by a representative of a Community or advertiser, as applicable, for review, approval, and execution by Franchisor or its affiliate no later than 30 days after such contracts have been executed by the Community or advertiser, as applicable, and enter all such contracts into the accounting system (Portal) designated by Franchisor within seven days from the date of sale.
- (3) Each month, and for each publication that Franchisee manages, Franchisee must solicit, gather, obtain, and, as applicable, generate, content for the Publication that complies with Franchisor's standards and requirements. Each month, and for each publication that Franchisee manages, Franchisee must (i) maintain a minimum, monthly Commission in the amount prescribed in the Franchise Brand Standards Manual, (ii) include a minimum number of pages that meet Franchisor's standard within each issue of the Publication, as prescribed in the Franchise Brand Standards Manual, and (iii) include a minimum number of neighborhood-specific articles, as prescribed in the Franchise Brand Standards Manual. Franchisor may change the amount of the minimum Commission, minimum number of pages, and minimum number of neighborhood-specific articles at any time during the Term of this Agreement, in its discretion.

- (4) For each Quarter, and for each publication that Franchisee manages, Franchisee must complete the minimum number of Qualified Sales, as prescribed in the Franchise Brand Standards Manual. Franchisor may change the definition of Qualified Sales, the minimum number of Qualified Sales, and Quarter-related requirements at any time during the Term of this Agreement, in its discretion. A "Quarter" is a three-month period during a year. A new Quarter begins January 1, April 1, July 1, and October 1 of each year. A "Qualified Sale" for purposes of this Agreement will have the definition given the term in the Franchise Brand Standards Manual.
- (5) Franchisee must complete each content, review, approval, and publishing task for the Publication set forth in the Franchise Brand Standards Manual by the deadlines set by Franchisor, as each may change from time to time.
- (6) Distribute the Publication to all residents in Franchisee's Territory and all Publication advertisers, unless otherwise approved in writing.
- (7) Subject to the terms of this Agreement and the policies and requirements of the Franchise Brand Standards Manual, and at Franchisee's option, solicit leads for and facilitate client relationships with Hyport Digital. At all times when Franchisee is promoting or soliciting the sale of Hyport Digital goods and services or interaction with Hyport Digital leads and clients, Franchisee shall conduct business in a manner that reflects favorably at on the Hyport Digital goods and services and the good name, goodwill, and reputation associated with the Marks, Franchisor, and Franchisor's affiliates. At all times, all payments for Hyport Digital goods and services shall be directed to Franchisor's affiliate. Franchisee nor any of its Independent Staff shall directly or indirectly (i) make any representations on behalf of Franchisor's affiliate or Franchisor or with respect to the Hyport Digital goods and services, except such as are expressly authorized by Franchisor's affiliate or Franchisor or are set forth in their authorized sales materials or (ii) engage in any unfair, misleading, or deceptive practices with respect to the Hyport Digital goods and services.
- (8) Subject to the terms of this Agreement and the policies and requirements of the Franchise Brand Standards Manual, organize local events for advertisers, members of Communities, and members of Industry Groups. Franchisor has the right to implement a royalty on revenue generated from these events, which Franchisor can implement and subsequently change upon ninety (90) days' notice to Franchisee. Franchisee agrees to use the credit card processing platform that Franchisor designates to collect payments by credit card from sponsors or other participants in the event. Franchisee agrees to pay Franchisor's or its affiliate's then-current credit card fee on such payments. This fee may include the credit card transaction fees and a reasonable fee for Franchisor's or its affiliate's involvement with the administration of the payment platform. Franchisor may adjust the credit card fee in its discretion and on thirty (30) days' notice to Franchisee.
- F. Participation in Strategic Partner Arrangements. Franchisor or other of Franchisor's franchisees may, from time to time, solicit, seek to establish, or establish one or more national or regional accounts with prospective advertisers and advertisers that may be located in, or have offices, branches, or some other presence in Franchisee's Territory ("Strategic Partners"). Franchisor has sole discretion in determining whether or not a prospective advertiser or advertiser is deemed a Strategic Partner. Franchisee has no right to solicit or sell advertising to a Strategic Partner but Franchisor may, at its discretion, establish a policy allowing Franchisee to do so, which policy Franchisor can revise in its sole discretion at any time. If Franchisee attempts to sell advertising to a Strategic Partner, Franchisee must strictly comply with all of Franchisor's or its affiliate's policies and requirements relating to such relationships, including honoring any pricing arrangement agreed to between Franchisor or its affiliate and each Strategic Partner. Franchisor reserves the right to designate, at any time, any of Franchisee's advertisers as a Strategic Partner.

- G. <u>Participation in Conferences</u>. Franchisor may, but is not required to, offer, host, or arrange for national and/or regional conferences to be held one or more times each year. If Franchisor requires Franchisee's attendance at such conferences, then Franchisee will attend and pay all related travel and attendance costs, which may include an attendance fee.
- Office; Equipment. Franchisee may operate the Franchised Business from any facility it chooses, which may be Franchisee's home. Franchisee's office must be located within a radius of 50 miles from the perimeter of Franchisee's Territory, unless Franchisor grants Franchisee a variance. Franchisor does not provide Franchisee any assistance in locating an office. Franchisee is solely responsible for conforming the facility to any local requirements. Franchisee must acquire and use any computer (including tablets), hardware, cloud systems, artificial intelligence tools, and software for the operation of the Franchised Business that Franchisor requires, including any enhancements, additions, substitutions, modifications, upgrades, and specific models or versions ("Technology"). Franchisor may also require Franchisee to license from Franchisor, or others Franchisor designates, any computer software Franchisor develops or acquires for use in connection with the Franchised Business and pay the associated fee. If Franchisor provides Franchisee with any Technology or Software Programs, or requires specific cloud systems and software, Franchisor reserves the right to maintain complete access, at all times, to such provided Technology or Software Programs, or required cloud systems, and software without Franchisee's permission, and Franchisee must provide Franchisor all passwords and other login credentials at Franchisor's request. Otherwise, Franchisor does not have independent access to Franchisee's personal computer. Despite the fact that Franchisee agrees to buy, use, and maintain the Technology and Software Programs according to Franchisor's standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Technology and Software Programs; (2) the manner in which the Technology and Software Programs interface with Franchisor's and any third party's computer system; and (3) any and all consequences if the Technology or Software Programs are not properly operated, maintained, and upgraded. Franchisee acknowledges and agrees that Franchisor shall have no responsibility under any circumstances for any malfunction or "crash" of any Technology or Software Programs provided by, required by, or approved by Franchisor, including, but not limited to, for any data lost as a result of such malfunction or "crash."

#### I. Disclosure and Franchisee's Investigation of this Franchise.

- (1) Franchisee understands and agrees that Franchisor may operate and change the System and Franchisor's business in any manner that is not expressly and specifically prohibited by this Agreement. Without limitation of the foregoing, Franchisee acknowledges that the products and services to be offered by Franchisee may be supplemented, improved, or otherwise modified from time to time by Franchisor.
- (2) Whenever Franchisor has expressly reserved in this Agreement, or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including, without limitation, Franchisor's judgment of what is in the best interests of Franchisor's franchise network at the time Franchisor's decision is made or Franchisor's right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by Franchisor; (ii) Franchisor's decision or the action Franchisor takes applies differently to Franchisee and one or more other franchisees or Franchisor's internal operations or its affiliates' operations; or (iv) Franchisor's decision or the exercise of Franchisor's right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise

of Franchisor's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant will not imply or impute any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions, and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

- J. <u>Organization</u>. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee represents and warrants the following:
- (1) Franchisee is duly organized and validly existing under the laws of the state of its formation:
- (2) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;
- (3) Franchisee's corporate charter or written partnership or limited liability company agreement will at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchised Business:
- (4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership or a limited liability company, are permitted under Franchisee's written partnership or limited liability company agreement and have been duly authorized by Franchisee; and
- (5) Franchisee has provided to Franchisor prior to the execution of this Agreement, and will from time to time during the Term of this Agreement at Franchisor's request provide to Franchisor, copies of Franchisee's articles of incorporation and bylaws or, as applicable, Franchisee's written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing Franchisee's entry into and performance of this Agreement, and any certificates, buy-sell agreements, or other documents restricting the sale or transfer of Franchisee's stock or other ownership interests and any other documents that Franchisor may reasonably request.

#### K. Ownership; Principals' Undertaking.

- (1) If Franchisee is a corporation, partnership, limited liability company, or other legal entity, the ownership interests in Franchisee are accurately and completely described in <u>Attachment E</u>. If Franchisee is a corporation, Franchisee will maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Franchisee or, if Franchisee is a partnership, limited liability company, or other form of legal entity, Franchisee will maintain at all times a current list of all owners of an interest in the partnership, limited liability company, or other entity. Franchisee will make its list of owners available to Franchisor upon request.
- (2) If Franchisee is a corporation, Franchisee will maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation will have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Franchisee is a partnership or limited liability company agreement will provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

- (3) The Principals that Franchisor designates are set forth in <u>Attachment E</u> and must sign the Principal's Undertaking, Attachment C to this Agreement.
- L. Legal Compliance. In addition to complying with Franchisor's obligations under this Agreement, Franchisee will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and orders. Such laws, rules, regulations, ordinances, and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the Term of this Agreement. Without limiting the foregoing, Franchisee certifies that neither Franchisee nor any of Franchisee's Principals, Independent Staff, or anyone associated with Franchisee is listed in connection with any Anti-Terrorism Law (including, but not limited to, the Annex to Executive Order 13224 (The Annex is available at (http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx), and Franchisee agrees not to hire or have any dealings with a person so listed. Franchisee further certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's Principals, Independent Staff, or anyone associated with Franchisee being so listed. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, Franchisee represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's Principals and its Independent Staff are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining which actions it must take to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities as provided in this Agreement pertain to its obligations under this Section 5.L. Any misrepresentation by Franchisee under this Section 5.L. or any violation of the Anti-Terrorism Laws by Franchisee, its Principals, or Independent Staff will constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or any of its affiliates.
- M. Intellectual Property Representations and Warranties. Franchisee represents and warrants to Franchisor (1) that any and all content Franchisee (a) uses, shares, or posts in connection with any Online Presence and (b) submits or causes to be submitted for publication in any N2 publication, and that Franchisor's affiliate's publication of such content, will not violate any law or right (including those of Franchisor, its affiliates, and any third party), including but not limited to intellectual property rights, such as copyright, trademark, or likeness; and (2) that Franchisee shall not use in any manner or suggest any association with the intellectual property of any other party without all necessary rights, permissions, or authority. Franchisee represents and warrants that it has and will obtain all necessary rights, permissions, or authority to use, and to have Franchisor's affiliate publish, all content that Franchisee submits or causes to be submitted. The Franchisee Indemnifying Parties will in indemnify, defend, and hold harmless the Indemnitees to the fullest extent permitted by law, from any and all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted), which arises out of or is based upon (i) the content Franchisee solicits, gathers, obtains, or generates, in connection with the operation of the Franchised Business; (ii) the content Franchisee submits, or causes to be submitted, for publication in any N2 publication; and (iii) Franchisee's breach of this representation and warranty.
- N. <u>Powers of Attorney</u>. Franchisee hereby appoints Franchisor as Franchisee's true and lawful attorney-in-fact, with full power and authority to assign to Franchisor upon the termination, expiration, or transfer of this Agreement all rights to any Online Presences (including social media accounts and webpages), telephone number(s) (including personal cellphone numbers), and any business listings related to or associated with the Franchised Business. Such power of attorney will survive the expiration or termination of this Agreement, and Franchisee agrees to execute such forms and documents as Franchisor

deems necessary to appoint Franchisor as Franchisee's true and lawful attorney-in-fact with full power and authority for the foregoing purposes. Franchisor will not assume any obligations for costs or expenses related to such Online Presences (including social media accounts and webpages), telephone number(s) (including personal cellphone numbers), and business listings that accrued prior to the date on which they were required by Franchisor. Franchisee agrees to execute the form of Listing Assignment attached hereto as Attachment G.

- O. <u>No Competing Interests</u>. Franchisee warrants and represents that neither Franchisee nor any of its affiliates or Principals, own, operate, or have any financial or beneficial interest in any business that is the same as or similar to a Franchised Business or the publishing business of N2 Co.; nor are bound by any confidentiality, non-disclosure, non-competition, and/or non-solicitation agreement(s) such that entering into this Agreement will violate such agreement(s).
- P. <u>Performance by Delegate</u>. Franchisee acknowledges and agrees that any rights or duties of Franchisor may be exercised and/or performed by any of Franchisor's affiliates, designees, agents (who may be an unaffiliated third party), or employees.
- Q. <u>Submission of Information and Timely Communication</u>. Franchisee must promptly provide to Franchisor or its affiliates information relating to the Franchised Business as Franchisor or its affiliates may reasonably require and in the manner they require. Franchisee must promptly respond to Franchisor's or its affiliates' requests for direction, information, or approvals that are reasonably necessary for Franchisor to perform its obligations under this Agreement or for the affiliate to publish the Publication. Franchisor may reasonably request to perform its obligations under this Agreement or for the affiliate to publish the Publication.
- R. <u>Fines</u>. For each instance where Franchisee fails to obtain prior written approval for advertising or promotional plans and materials, offers unauthorized products or services, or otherwise fails to comply with the System operating standards and Franchise Brand Standards Manual, Franchisor shall, at Franchisor's option, have the right to levy a fine in an amount up to \$500 for the first instance and up to \$1,000 for a second or subsequent instance. The imposition of a fine pursuant to this section shall not act as a waiver of any of Franchisor's other remedies under this Agreement. Furthermore, Franchisor has the right to collect any such fines by means of EFT. Franchisor reserves the right to charge Franchisee for Franchisor's and its affiliates' costs to respond and/or resolve a complaint related to the Franchised Business by the advertisers, clients, or other parties that Franchisee does not satisfactorily resolve.
- S. Ownership of Content. Franchisor is and will be the sole and exclusive owner in perpetuity of all right, title and interest in and to the content created by Franchisee, Franchisee's Independent Staff, or Principals in connection with the Franchised Business, including without limitation all intellectual property rights. Franchisee and Franchisee's Principals agree that such content is work made for hire for Franchisor as defined in Section 101 the Copyright Act of 1975 and Franchisor is and will be considered the sole and exclusive author of the content for all purposes. To the extent any part of the content does not qualify as a work made for hire, Franchisee, Franchisee's Independent Staff, and Principals hereby irrevocably assign, transfer, and otherwise convey to Franchisor in perpetuity, all right, title, and interest in and to the content created in connection with the Franchised Business and waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such content in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's Principals hereby irrevocably designate and appoint Franchisor as Franchisee's and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance intellectual property

right related to any content. In the event that the foregoing provisions of this <u>Section 5.S.</u> are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the content to the extent such use or sublicense would, absent this Agreement, directly or indirectly, infringe Franchisee's or their rights therein.

- T. Improvements. If Franchisee, Franchisee's Independent Staff, or Principals develop any new concept, process, or improvement in the operation or promotion of the Franchised Business ("Improvement"), Franchisee agrees to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement will become Franchisor's sole property, and Franchisor will be the sole owner of all related patents, patent applications, and other intellectual property rights. Franchisee and Franchisee's Principals hereby assign to Franchisor any rights Franchisee or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's Principals hereby irrevocably designate and appoint Franchisor as Franchisee's and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 5.T. are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly, infringe Franchisee's or their rights therein.
- U. <u>Client and Other Data</u>. Franchisee shall maintain a current list of the names, businesses, addresses, email addresses and telephone numbers of the advertisers and prospective advertisers who have provided such information to the Franchised Business ("Client List"). Franchisee shall provide the Client List to the Franchisor upon request. The Client List shall be the property of Franchisor. Franchisee shall not disclose such information to any person or entity other than Franchisor, delete such list, or sell such list(s) or any portions thereof to any person or entity without the express written consent of Franchisor. Likewise, other data collected by Franchisee or Franchisee's information technology system (Client List and the other data collectively referred to herein as "Franchised Business Data") is deemed to be owned by Franchisor, and Franchisee agrees to furnish the Franchised Business Data to Franchisor at any time that Franchisor requests it. Franchisor hereby grants Franchisee a limited license to use Franchised Business Data while this Agreement or a successor franchise agreement is in effect, but only in accordance with the policies that Franchisor establishes periodically and applicable law. Franchisee shall not be due any compensation based upon Franchisor's use of the Franchised Business Data. Franchisee may not sell, transfer, or use Franchised Business Data for any purpose other than operating the Franchised Business in accordance with the terms of this Agreement and the Franchise Brand Standards Manual.

#### V. Personal Information and Data Privacy.

- (1) <u>Definition of Personal Information</u>. As used in this Agreement, "Personal Information" shall mean (i) any information that can be used to identify, locate, or contact an individual or household, including but not limited to Franchisee's Independent Staff, the advertisers, and recipients of the Publication, and (ii) information that is defined as protected, personal information under any Privacy Law.
- (2) <u>Data Protection and Security Policies</u>. Franchisee shall comply with, or, as applicable, adopt policies consistent with the then-current version of Franchisor's data protection and

security policies as may be described in the Franchise Brand Standards Manual ("Data Protection and Security Policies"). Such policies may govern how Franchised Business Data and Personal Information contained in such data shall be collected, used, store, processed, shared, or destroyed. Franchisor has the right, but not the obligation to create such Data Protection and Security Policies. Franchisee acknowledges that Franchisor may supplement, modify, or amend the Data Protection and Security Policies from time to time in its sole discretion, and that Franchisee shall comply with such modifications or amendments within thirty (30) days of notice from Franchisor. Franchisor may require Franchisee to institute a data privacy policy for its Franchised Business. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

- (3) Privacy Laws. Franchisee warrants and represents and covenants that it shall comply with (i) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council ("PCI-DSS"), (ii) those mandatory Data Protection and Security Policies, if any, and (iii) all applicable international, federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of Personal Information (collectively, "Privacy Laws").
- (4) <u>Marketing; Consumer Protection</u>. Franchisee shall be solely responsible for compliance with all laws pertaining to emails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"), and to use of automatic dialing systems, SMS text messages, and artificial or prerecorded voice messages, including but not limited to the Telephone Consumer Protection Act of 1991 ("TCPA"), as amended from time to time. Franchisee must comply with other applicable consumer protection laws and regulations.
- Security Breach. Franchisee shall cooperate with Franchisor in any audit or (5) inspection that Franchisor may conduct from time to time relating to Franchisee's processing of Personal Information. In addition, if Franchisee becomes aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction, transfer, or other compromise or acquisition of or access to any Personal Information, whether such information is stored in paper or electronic form, or information that might reasonably expose Franchisor to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into Franchisee's or Franchisor's computers, networks, servers, IT resources, or paper files ("Security Breach"), Franchisee shall immediately notify the Franchisor via telephone of such matter and shall thereafter cooperate with Franchisor to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized access or breach shall be made by Franchisee unless Franchisor has authorized the provision of notice and the form of such notice in writing. Franchisee shall reimburse Franchisor for all reasonable Notification and Remediation Related Costs (hereinafter defined) incurred by Franchisor arising out of or in connection with any such Security Breach that is directly or indirectly caused by Franchisee, its Principals, and its Independent Staff. "Notification and Remediation Related Costs" shall include Franchisor's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general; (ii) preparation and mailing or other transmission of such other communications to customers, agents or others as Franchisor deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (iv) engagement of information technology consultants, public relations and other similar crisis management services; (v) payment of legal and accounting fees and expenses associated with Franchisor's investigation of and response to the Security Breach; and (vi) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. Franchisee Indemnifying

Parties agree to hold harmless, defend and indemnify Indemnitees from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which Indemnitees shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or Franchisee Indemnifying Parties' violation of any Privacy Law, Data Protection and Security Policies, consumer protection-related law or regulation, email marketing and other marketing laws and regulations, and the PCI-DSS.

- obtaining any required consent to the collection, use, storage, processing, and sharing of Personal Information from all parties from which it is required to obtain consent under the Privacy Laws or Data Protection and Security Policies. Franchisee shall retain copies of the consent and store them and share them with Franchisor in the manner Franchisor requires. Franchisee shall fully comply with Data Protection and Security Policies and Privacy Laws as they relate to a person's exercise of his or her rights under the Privacy Laws. If any person contacts Franchisee seeking to exercise any right under law pertaining to Personal Information, Franchisee shall comply with such request in accordance with the terms of this Agreement, including the Data Protection and Security Policies, the Franchise Brand Standards Manual, the Privacy Laws, and as otherwise instructed by Franchisor. If requested by Franchisor, Franchisee must cooperate or coordinate with Franchisor to provide information about the way that Franchisee has collected, used, stored, processed, and shared Personal Information.
- (7) <u>Use of Personal Information</u>. Franchisee warrants and represents and covenants that it shall not collect, use, store, process, or share Personal Information unless such action is permitted by (i) the terms of this Agreement, (ii) the terms of the Data Protection and Security Policies, (iii) the standards in the Franchisee Brand Standards Manual, (iv) Privacy Laws, and if, applicable, (v) written approval of Franchisor. Franchisee shall collect, use, store, process, and share Personal Information only for purposes of operating the Franchised Business. Franchisee shall not sell Personal Information. Franchisee shall not re-identify any Personal Information that has been de-identified. If Franchisee engages any vendor that will collect, use, store, process, or share Personal Information, Franchisee must contractually bind the vendor to the data protection obligations that Franchisor requires.
- W. <u>Continuing Obligations</u>. Franchisee and Franchisee's Principals make the foregoing representations, warranties, and covenants understanding that such representations, warranties, and covenants are continuing obligations. Franchisee agrees to cooperate with Franchisor to verify Franchisee's and Franchisee's Principals' continuing compliance with such representations, warranties, and covenants. Any failure to comply with these representations, warranties, and covenants will constitute a material event of default under this Agreement.
- X. <u>Background Checks</u>. Franchisor has the right to obtain background checks on Franchisee and its Principals.
- Y. <u>Crisis</u>. Franchisee shall notify Franchisor immediately upon the occurrence of any situation that may have a significant negative impact on Franchisee, Franchisor, the Publication, or which could have a deleterious effect on the STROLL or GREET brand, Marks or System (a "Crisis"). Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by Franchisor or as specified in the Franchise Brand Standards Manual, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. A "Crisis" includes, but is not limited to, any event that occurs in connection with the Franchised Business or Publication that has or may cause harm or injury to the public, advertisers, or Independent Staff. Franchisee will cooperate fully with Franchisor with respect to Franchisor's response to the Crisis. In the event of the occurrence of a Crisis, Franchisor may establish

emergency procedures which may require Franchisee to temporarily cease publishing of the Publication, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby. Franchisor will have the right to take control of the management of communications if Franchisor determines that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Franchised Business, Publication, Marks, System, or Franchisor. Franchisee will obtain Franchisor's consent before any press releases, interviews or public statements are issued by Franchisee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Franchised Business, Publication, Marks, System, or Franchisor.

- Z. No Warranties. FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, APPROVE, SUPPLY, OR REQUIRE FRANCHISEE TO PURCHASE OR USE. FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT, SUPPLIES, OR OTHER APPROVED ITEMS.
- AA. <u>Artificial Intelligence</u>. Franchisee shall comply with any policies, procedures, and standards developed by Franchisor from time to time regarding use of artificial intelligence tools in the Franchised Business, with Franchised Business Data, or in connection with the Publication. As between Franchisee and Franchisor, and unless otherwise provided for in Franchisor's policies, procedures, and standards, Franchisor shall own all data used as the input to and output from the artificial intelligence tools. Unless otherwise provided for in Franchisor's policies, procedures, and standards, Franchisee shall obtain Franchisor's prior consent before using artificial intelligence tools (including but not limited to uploading Franchised Business Data), in connection with the Franchised Business Data, Franchised Business, or Publication.

#### 6. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide, or cause to be provided, the following to Franchisee:

- A. <u>Franchise Brand Standards Manual</u>. During the initial training program and for the Term of this Agreement, access to the Franchise Brand Standards Manual, either in paper and/or electronic form. The Franchise Brand Standards Manual is Confidential Information.
- B. <u>Software Programs</u>. For a reasonable fee, any Software Programs that Franchisor acquires or develops for use in the System; provided, that Franchisor is under no obligation to develop or acquire such Software Programs.
- C. <u>Operational Advice</u>. Ongoing advice and written materials, as Franchisor deems necessary in its sole discretion, concerning techniques for managing and operating the Franchised Business.
- D. <u>Approved Products, Services, and Suppliers</u>. From time to time, as Franchisor deems appropriate, a list of approved products, services, and suppliers.
- E. <u>Training</u>. An initial training program for Franchisee and additional training as determined by Franchisor.

### 7. <u>CONFIDENTIALITY: COVENANTS AGAINST UNFAIR COMPETITION AND</u> SOLICITATION.

- A. Non-Disclosure of Confidential Information. Franchisee and Principals agree that the Confidential Information is solely owned by Franchisor, and this Agreement does not grant to Franchisee or any Principal any rights in or to the Confidential Information. Franchisee and Principals further agree that the use or duplication of any of the Confidential Information in any other business would constitute an unfair method of competition. Franchisee and Principals acknowledge that Franchisor desires to maintain the confidentiality of the Confidential Information and is making it available to Franchisee for the sole purpose of Franchisee using the Confidential Information in connection with the operation of the Franchised Business under the terms and conditions of this Agreement. Franchisee and Principals further acknowledge and agree that the Confidential Information is proprietary to and a valuable trade secret of Franchisor and that any disclosure or unauthorized use thereof will cause irreparable loss and harm to Franchisor. In consideration of the opportunity to obtain access to the Confidential Information, Franchisee and each Principal agree and covenant that during the Term of this Agreement and following the expiration or termination of this Agreement, regardless of the cause thereof:
- (1) To use the Confidential Information for their own use in conjunction with the operation of the Franchised Business and to carry out the obligations of Franchisee pursuant to the terms this Agreement and not for any other purpose and to refrain from disclosing the Confidential Information to any third person or entity not directly associated with Franchisee, except as may be required by law. In the event Franchisee, any Principal, or any persons who were lawfully disclosed the Confidential Information become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand, or similar process) to disclose any of the Confidential Information, Franchisee and Principals will provide Franchisor with prompt prior written notice of such requirement so that Franchisor may seek a protective order or other appropriate remedy and/or waive compliance with the terms hereof. In the event that such protective order or other remedy is not obtained, or that Franchisor waives compliance with the provisions hereof, Franchisee and Principals agree to furnish only that portion of the Confidential Information which Franchisee and/or Principals are advised by written opinion of counsel is legally required and exercise best efforts to obtain assurance that confidential treatment will be accorded such Confidential Information;
- (2) To ensure that all counsel, accountants, and other representatives of Franchisee and/or Principals who are given access to the Confidential Information on behalf of Franchisee or Principals comply with the confidentiality provisions of this Agreement. Franchisee and each Principal are, jointly and severally, fully responsible for any breach of this Agreement by any person to whom access to the Confidential Information is given by Franchisee, Principals, or their representatives;
- (3) Not to make copies of the Confidential Information for any purpose that is not directly related to the Franchised Business;
- (4) Not to upload or download, or attempt to upload or download, any Confidential Information that is not directly related to the Franchised Business; and
- (5) Upon termination or expiration of this Agreement, promptly return to Franchisor all Confidential Information and all copies thereof.

For clarity, any attempt by Franchisee to upload, download, or copy, into any format or using any method, any Confidential Information that is not directly related to the Franchised Business, including without limitation, client and advertiser information, will constitute grounds for immediate termination of this Agreement.

- B. <u>In-term noncompetition</u>. Franchisee and Owners represent that they are not currently working with or for any Person engaged in any Competitive Business. Franchisee and each Owner specifically acknowledge that they will receive valuable Confidential Information beyond their present skills and experience and that such Confidential Information provides a competitive advantage. In consideration for gaining access to Confidential Information, the use of the Marks and other valuable consideration associated with the grant of the right to operate the Franchised Business, Franchisee and each Owner agree that during the Term of this Agreement, neither Franchisee nor any Owner will, for themselves or through or on behalf of or in conjunction with other persons or entities, own, maintain, operate or engage in a Competitive Business or provide any Competitive Services at any location within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its affiliates have used, sought registration of, or registered the Marks or similar marks or operated or granted others the right to operate a business (including other of Franchisor's franchisees) under the Marks or similar marks.
- C. <u>In-term non-solicitation</u>. Franchisee and each Principal specifically acknowledge that they will receive valuable Confidential Information beyond their present skills and experience and that such Confidential Information provides a competitive advantage. In consideration for gaining access to Confidential Information, the use of the Marks and other valuable consideration associated with the grant of the right to operate the Franchised Business, Franchisee and Principal(s) agree that during the Term of this Agreement, neither Franchisee nor any Principal will, for themselves or through or on behalf of or in conjunction with other persons or entities, solicit or attempt to solicit, using any form of oral, written, or electronic communications, Franchisor's or its affiliate's current or prospective business advertisers with whom Franchisee or any Principal interacted for the purpose of soliciting, offering or accepting goods or services that are competitive with those offered by Franchisee, Franchisor, or Franchisor's affiliates.
- D. <u>Post-term noncompetition</u>. For a period of two years after the termination, expiration, or transfer of this Agreement, regardless of the reasons for such termination, expiration, or transfer, Franchisee and its Owner(s) shall not, within the Restricted Territory:
  - (1) own, operate, or manage any Competitive Business, or
- (2) engage in, provide, or assist others in engaging in or providing Competitive Services; or
- (3) perform any activities for or relating to a Competitive Business, the performance of which is reasonably likely to involve the use or disclosure of Confidential Information, and which activity is similar to the activities Franchisee or the Owner(s) engaged in during the twelve-month period prior to the termination, expiration, or transfer of this Agreement.
- E. <u>Post-term non-solicitation</u>. For a period of two years after the termination, expiration, transfer of this Agreement, regardless of the reasons for such termination, expiration, or transfer, Franchisee and its Principals shall not, solicit or attempt to solicit, using any form of oral, written, or electronic communications, Franchisor's or its affiliate's current or prospective business advertisers with whom Franchisee or any Principal interacted with during the twelve-month period prior to the termination, expiration, or transfer of this Agreement, for the purpose of soliciting, offering or accepting the Competitive Services.
- F. <u>Exception</u>. Nothing herein shall prohibit Franchisee or any Principal from owning, solely as an investment, securities of any Person traded on any national securities exchange if neither Franchisee nor any Principal controls, or is a member of a group which controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

### G. Definitions.

- (1) <u>Restricted Territory</u>. The term "**Restricted Territory**" means the following divisible and severable territorial divisions:
  - (i) the territories of and a ten-mile radius around the perimeter of the territory of any publication business owned by Franchisor, its affiliates, or its franchisees (including the Territory); or
  - (ii) only if the foregoing is determined to be too broad by an arbitrator or court of law, the territories of any publication business owned by Franchisor, its affiliates, or its franchisees (including the Territory);
  - (iii) only if the foregoing is determined to be too broad by an arbitrator or court of law, the territories of any of Franchisor's franchisees (including the Territory); or
  - (iv) only if the foregoing is determined to be too broad by an arbitrator or court of law, a ten-mile radius around the perimeter of the Territory and the Territory; or
  - (v) only if the foregoing is determined to be too broad by an arbitrator or court of law, the Territory.
- (2) <u>Competitive Business</u>. The term "Competitive Business" includes the following divisible and severable business lines or services ("Competitive Services") which the Franchisee's Franchised Business provided (a) for covenants applicable during the Term, during the Term and (b) for covenants applicable post-term, at any time within the twelve-month period prior to the termination, expiration, or transfer of this Agreement:
  - (i) selling digital and/or print advertising to businesses for publication in or related to digital or print publications that compete with N2 publications, including STROLL and GREET publications;
  - (ii) publishing and/or facilitating the publishing of digital or print publications that compete with N2 publications, including STROLL and GREET publications;
  - (iii) developing relationships among members of Communities within the Territory or members of Industry Groups within the Territory and within ten miles of the Territory for the purpose of selling or marketing digital or print publications that compete with N2 publications, including STROLL and GREET publications;
  - (iv) organizing, sponsoring, or hosting events for advertisers in the Publication, members of Communities within the Territory, or members of Industry Groups within the Territory and within ten miles of the Territory for the purpose of selling or marketing digital or print publications, or digital or print advertising in digital or print publications, that compete with N2 publications; or
  - (v) offering or selling digital marketing and advertising services which are offered or sold by Franchisor or its affiliates or are or were offered and sold by Franchisee.

- H. Reasonableness of Covenants. Franchisee and Principals agree that the preceding covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other legitimate business interests of Franchisor. Each of the covenants herein will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 7. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 7. Franchisee and Principals further understand and agree that Franchisor will have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 7., or any portion thereof, without Franchisee's or Principals' consent, effective immediately upon notice to Franchisee or Principals, and Franchisee and Principals agree that they will promptly comply with any covenant as so modified. The time periods set forth in this Section 7 will be tolled for any period of noncompliance.
- I. Remedies. Franchisee and Principals agree that the obligations in this Section 7. are necessary and reasonable in order to protect Franchisor and expressly agree that monetary damages would be inadequate to compensate Franchisor for any breach of any covenant or agreement set forth herein. Accordingly, Franchisee and Principals agree and acknowledge that any such violation or threatened violation will cause irreparable injury to Franchisor for which no adequate remedy at law may be available and that, in addition to any other remedies that may be available, in law, in equity, or otherwise, Franchisor is entitled to obtain injunctive relief and specific performance against Franchisee and/or Principals for the threatened breach of this Section 7. or the continuation of any such breach, without proof of actual damages and without the posting of any bond. Franchisee and Principals further agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in connection with the enforcement of this Section 7., including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to Franchisor for any violation of the requirements of this Section 7.
- J. <u>Execution of Covenants by Franchisee's Principals and Management</u>. Franchisee agrees to require and obtain the execution of confidentiality, non-solicit covenants similar to those set forth in <u>Sections 7</u>. from all of Franchisee's Principals not signing the Principals' Undertaking. At Franchisor's request, Franchisee agrees to require and obtain the execution of confidentiality and non-solicit covenants similar to those set forth in <u>Section 7</u>. any other of Franchisee's Independent Staff receiving access to Confidential Information. These covenants must be substantially in the forms set forth in <u>Attachment D-1 and/or D-2</u>; however, Franchisor reserves the right, in Franchisor's sole discretion, to decrease the scope of the covenants set forth in <u>Attachment D-1 and D-2</u> or eliminate such covenants altogether for any person that is required to execute such agreement.

### 8. <u>USE OF MARKS AND COPYRIGHTED MATERIALS</u>

Franchisor hereby grants Franchisee a limited license to use the Marks and Copyrighted Materials designated by Franchisor, solely for the purpose of operating, advertising, and promoting the Franchised Business, as contemplated by this Agreement. Franchisee further expressly agrees that:

A. Franchisor is the lawful owner or licensee of the Marks and the Copyrighted Materials. Franchisee's interest in the Marks and the Copyrighted Materials is solely that of a licensee, and all goodwill attributable to the use of the Marks with respect to the Franchised Business will accrue to the benefit of Franchisor. Franchisee disclaims any proprietary interest in any of the Marks and the Copyrighted Materials.

- B. Franchisee will not use the name of any N2 publication or any of Franchisor's Marks or trade names, including the specific Marks "STROLL," "GREET," "N2", "N2 Publishing", "Hyport Digital" or any abbreviation, acronym, or variation of those words as part of Franchisee's name, as part of any business entity in which Franchisee owns or holds an interest, or as part of any Online Presence (including any Internet, Web address, or email domain name or URL). Franchisee must submit to Franchisor for approval, in writing, Franchisee's proposed entity name, and Franchisee will not name its entity using any name that is not approved by Franchisor.
- C. Franchisee will use the Marks in the precise form that Franchisor prescribes and will observe Franchisor's directions regarding the presentation, display, and use of the Marks and the use, copying, and distribution of the Copyrighted Materials. Franchisee shall not fail to perform any act required under this Agreement, or commit any act which would impair the value of the Marks or the goodwill associated with the Marks. Franchisee acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of value of the Marks and the goodwill associated with the Marks and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Franchisee or enter into this Agreement without receiving Franchisee's unrestricted promise to use the Marks only in the manner authorized by Franchisor Franchisee shall not use any of the Marks, in connection with Independent Staff facing labor and employment materials.
- An "Online Presence" includes (1) a website, other webpages, URLs, or domain names, (2) accounts, pages, handles, or profiles on social media sites, social networking sites, news sites and groups, online, internet, or digital directories, video, photography, audio, podcast, and messaging services, blogs, or forums, (3) e-commerce sites or accounts, (4) digital or online advertising and marketing content and services, (5) mobile applications, (6) virtual reality platforms, (7) identifiers of an Online Presence, (8) business profile pages accessible online; or (9) a presence on any other type of online, internet, or digital tool, good, or service that may be developed. Franchisor has the rights to create, operate, and discontinue any Online Presences it deems appropriate, in its sole discretion. Franchisor shall not be liable for downtime that may occur to any such Online Presence, whether such downtime is caused by Franchisor or a thirdparty. Franchisor shall have the right, but not the obligation, to designate one or more webpage(s) or other form of Online Presence to describe Franchisee, the Franchised Businesses, the Publication, the N2 publications, Franchisor, Franchisor's affiliates, and the Marks, with such webpage(s) or Online Presence to be located within Franchisor's website or another Online Presence. Franchisee will not, directly or indirectly, establish or operate an Online Presence that in any way concerns, discusses or alludes to the Franchisor, the Marks, the System, the Publication, any N2 publication, or the Franchised Business without Franchisor's consent, which Franchisor is not obligated to provide. If Franchisee has consent to create or operate an Online Presence, Franchisee must comply with the terms of Franchisor's policies. Franchisor may revoke any approval for Franchisee to use create or use an Online Presence, in Franchisor's sole discretion. Franchisee will not post, and will take such steps as necessary to ensure that its Independent Staff do not post, any information to an Online Presence relating to the Franchisor, Franchisor's affiliates, the System, the Marks, or the Franchised Business that, (i) is derogatory, disparaging, or critical of the Franchisor, the System or the Marks, (ii) is offensive, inflammatory or indecent, (iii) infringes upon the intellectual property rights of Franchisor, Franchisor's affiliates, or third parties, or (iv) harms the goodwill and/or public image of the System and/or the Marks. Franchisor alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Online Presence, including any and all material Franchisee may furnish to Franchisor for use on an Online Presence. However, Franchisor is not obligated to monitor or control the content of any of Franchisee's Online Presences. For any Online Presence and identifiers related to any Online Presence Franchisee is permitted to create or use, Franchisor reserves the right, at its sole option and discretion, to have the Online Presence directly owned or controlled by Franchisor or to require any such Online Presence be transferred to Franchisor upon the termination,

expiration, or transfer of this Agreement for any reason. Upon request, Franchisee must provide Franchisor with any login credentials for any Online Presence Franchisee is authorized to create, use, or maintain.

- F. Franchisee must obtain Franchisor's prior approval for all advertising and promotional plans and materials that Franchisee desires to use to promote the Franchised Business and that have not been prepared or previously approved by Franchisor. Franchisee must submit such unapproved plans and materials to Franchisor (by personal delivery, by facsimile, through the mail, or by email using the email address required by Franchisor), and Franchisor will approve or disapprove such plans and materials within 14 days from the date of receipt by Franchisor, and Franchisor reserves the right to disapprove previously approved plans and materials at any time, in Franchisor's sole discretion. Franchisee will not use such plans or materials until approved by Franchisor. Franchisee must promptly discontinue use of any promotional or advertising plans or materials upon notice from Franchisor to do so.
- G. Franchisee must notify Franchisor immediately of any apparent infringement of, or challenge to, Franchisee's use of any Mark or Copyrighted Material and of any claim by any person of any rights in any Mark or any Copyrighted Materials. Franchisee and Principals must not communicate with any person other than Franchisor, its affiliates, their counsel, and Franchisee's counsel in connection with any such apparent infringement, challenge, or claim. Franchisor will have complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any Mark or Copyrighted Materials and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office, or other proceeding arising out of any such alleged infringement, challenge, or claim or otherwise relating to any Mark or Copyrighted Materials. Franchisee agrees to execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in the Marks or Copyrighted Materials. Neither Franchisor nor any of Franchisor's affiliates shall be required to defend Franchisee against any claim, or indemnify Franchisee against or reimburse Franchisee for any loss or damages, arising out of Franchisee's use or misuse of any Mark, the Copyrighted Materials, or other Confidential Information.
- H. Franchisor has the right to add, change, revise, discontinue, or substitute different Marks and Copyrighted Materials, if Franchisor, in its sole discretion. In such circumstances, the use of the additional or substitute proprietary marks and copyrighted materials shall be governed by the terms of this Agreement. Franchisee shall promptly comply with each such addition, change, revision, discontinuation, or substitution and bear all expenses associated therewith. Franchisor shall not be obligated to compensate Franchisee for any costs or expenses incurred by Franchisee in connection with any such addition, change, revision, discontinuation, or substitution.

# 9. TRANSFER AND ASSIGNMENT

## A. <u>By Franchisor</u>.

- (1) Franchisor has the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without prior notice to, or consent of, Franchisee, and upon such transfer or assignment, the transfere or assignee will be solely responsible for all of Franchisor's obligations arising hereunder subsequent to the transfer or assignment.
- (2) If Franchisor transfers or assigns this Agreement to an unaffiliated third-party purchaser in connection with the sale of the entire N2 publication(s) franchising business, and if, as of the date of such transfer or assignment, the remaining Term of this Agreement is less than 540 days, then, prior to or contemporaneously with the closing of such transfer or assignment, Franchisor will, at Franchisee's option, enter into an amendment to this Agreement with Franchisee pursuant to which the then-existing Term of this Agreement will be extended so that it expires on the date which is 540 days from the closing date of such transfer or assignment. Nothing in this Section 9.A.(2) limits or otherwise affects Franchisor's right to transfer or assign this Agreement as provided in Section 9.A.(1).
- By Franchisee. Franchisee will not transfer or assign this Agreement without Franchisor's B. prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement will be null and void and will constitute a material breach under this Agreement. For purposes of this Agreement, the term "transfer" shall mean any issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary. Any ownership or structural changes in Franchisee including but not limited to, any merger, reorganization, transfer of shares, stock, or interests among owners, issuance of additional shares or classes of stock or additional partnership interests, shall constitute and be deemed a transfer. If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or in substantially all of the assets of the Franchised Business, or if Franchisee or any Principal wishes to transfer any ownership interest in Franchisee, transferor and the proposed transferee must apply to Franchisor for its consent. Franchisee agrees to submit to Franchisor all information Franchisor requires in order to determine whether to approve a proposed transfer of the Franchised Business, and Franchisor agrees to notify Franchisee of its approval or disapproval within a reasonable period of time, not to exceed 30 days, after Franchisor has received all requested information relating to the proposed transfer of the Franchised Business. A marketing list, client list or potential client list may be transferred only to a transferee to whom Franchisee's rights and obligations under this Agreement are simultaneously being transferred in accordance with the terms hereof. If Franchisor does not exercise its rights under Section 9.C or Section 9.D, the decision as to whether to approve a proposed transfer shall be made by Franchisor in its sole discretion and shall include numerous factors deemed relevant by Franchisor. These factors may include, but will not be limited to, the following:
- (1) Franchisee, its Principals, and its affiliates are not in default of this Agreement, or any other agreement with Franchisor or its affiliates, and have substantially and timely complied with all the terms and conditions of such agreements during their respective terms, including but not limited to paid all amounts due;
- (2) The transferor and its principals, for themselves and on behalf of their respective guarantors, predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, heirs, executors, administrators, successors, and assigns, if applicable, have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, Franchisor's predecessors and affiliates, their respective officers, directors,

shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with Franchisor or its affiliates, and under federal, state, or local laws, rules, and regulations or orders:

- (3) The transferee demonstrates to Franchisor's satisfaction that it meets Franchisor's then-current qualifications, and, at the transferee's expense, transferee and any of its principals and any other personnel required by Franchisor complete any training programs then in effect for N2 publication franchisees upon such terms and conditions as Franchisor may require;
- (4) The transferee must enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for, and agreeing to perform from the date of the transfer, all obligations, covenants, and agreements of Franchisee under this Agreement. If the transferee is a corporation, partnership, limited liability company, or other entity, those of transferee's principals who are designated as principals, also must execute such agreement and guarantee the performance thereof;
- (5) The transferee must execute Franchisor's then-current form of franchise agreement for a term ending on the expiration date of this Agreement. The new franchise agreement will supersede this Agreement in all respects, and its terms may differ from the terms of this Agreement, including higher fees, but the transferee will not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company, or other entity, those of transferee's principals who are designated as principals, also must execute such agreement and guarantee the performance thereof;
- (6) The transferor will remain liable for all of its obligations to Franchisor under this Agreement incurred prior to the effective date of the transfer and must execute any and all instruments reasonably requested by Franchisor to evidence such liability;
- (7) Upon application for consent, Franchisee must pay Franchisor a transfer fee in an amount equal to the then-current initial franchise fee that Franchisor generally charges to new franchisees, plus Franchisor's reasonable attorneys' fees incurred in connection with the transfer; and
- (8) If transferee is a corporation, partnership, limited liability company, or other entity, the transferee must make all of the representations, warranties, and covenants in <u>Section 7.</u> as Franchisor may request and must provide evidence satisfactory to Franchisor that such representations, warranties, and covenants are true and correct as of the date of the transfer.
- C. <u>By Franchisee Right of First Offer.</u> If Franchisee or any of its Principals desires to transfer this Agreement or the Franchised Business for legal consideration before obtaining an offer from a buyer, Franchisee must send Franchisor an offer in writing ("**Offer Notice**") containing the exact terms and conditions on which Franchisee desires to transfer the Franchisee, the Franchise Agreement, or the Franchised Business. Upon receipt of the Offer Notice Franchisor will have the option, exercisable by notice ("**Response Notice**") delivered to Franchisee within 30 days thereafter, to indicate Franchisor's intention to accept Franchisee's offer to sell such interest in this Agreement or the Franchised Business for the price and terms contained in the Offer Notice. Franchisor has the right to investigate and analyze the business and all other matters Franchisor deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms described in the Offer Notice. Franchisor may conduct such investigation and analysis in any manner Franchisor deems reasonably appropriate, and Franchisee and its Principals agree to provide Franchisor with all information Franchisor requests and to cooperate fully with Franchisor in connection therewith. If Franchisor delivers a Response Notice,

Franchisor and Franchisee and/or its Principals will enter into a purchase agreement reasonably satisfactory to both Franchisor and Franchisee, containing such agreements, representations, warranties, covenants, and indemnities, and requiring such documents at closing, as is reasonably necessary to protect each party's interests. The closing shall occur not more than 90 days after the date of the Response Notice, unless the closing is delayed for reasons beyond Franchisor's reasonable control. If Franchisor does not deliver a Response Notice, as provided above, Franchise and/or its Principals may solicit offers to transfer this Agreement or the Franchised Business from other parties at the exact same price and on the exact same terms as presented in the Offer Notice for a period of time expiring 365 days after the Offer Notice is delivered to Franchisor. Franchisee must immediately deliver to Franchisor a complete and accurate copy of any offer that Franchisee receives within such 365-day period from any such third party that Franchisee and/or its Principals are willing to accept ("Third Party Offer"). If the terms of the Third Party Offer are the same as those contained in the Offer Notice, then Franchisee and/or its Principals may accept such offer and complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 9.B, provided that if the sale to such offeror is not completed within 90 days after delivery of such Third Party Offer to us, or if there is any change in the terms of the offer, Franchisee must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30-day period following Franchisee's notification of the expiration of the 90-day period or the change to the terms of the offer.

D. By Franchisee - Right of First Refusal. If the terms of the Third Party Offer pursuant to Section 9.C are different in any material respect (including price and/or payment terms) from those contained in the Offer Notice pursuant to Section 9.C, Franchisor will have the option, exercisable by notice delivered to you within 30 days from the date of delivery to us of a complete and accurate copy of the Third Party Offer, to purchase such interest in this Agreement, Franchisee, or the Franchised Business for the price and on the terms and conditions contained in such Third Party Offer. In addition, if Franchisee or any of its Principals desire to transfer this Agreement, Franchisee, or the Franchised Business to a prospective buyer without first giving Franchisor an Offer Notice pursuant to Section 9.C, Franchisee or its Principals must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least 5% of the offering price from a responsible and full disclosed purchaser and must deliver immediately to Franchisor a complete and accurate copy of such offer ("Right of First Refusal Offer"). Franchisor has the right to investigate and analyze the business and all other matters Franchisor deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of our right of first refusal. Franchisor may conduct such investigation and analysis in any manner Franchisor deems reasonably appropriate, and Franchisee and its Principals agree to provide Franchisor with all information Franchisor requests and to cooperate fully with Franchisor in connection therewith. If Franchisor exercises its option to purchase pursuant to the terms of the Third Party Offer or the Right of First Refusal Offer, as provided in this Section 9.D or Section 9.C, Franchisor and Franchisee and/or its Principals will enter into a purchase agreement reasonably satisfactory to Franchisor and Franchisee, containing such agreements, representations, warranties, covenants, and indemnities and requiring such documents at closing, as are reasonably necessary to protect each party's interests. The closing shall occur not more than 90 days after the date of our response to the Third Party Offer or Right of First Refusal Offer, as applicable, unless the closing is delayed for reasons beyond Franchisor's reasonable control. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be able to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, Franchisor at its own expense may designate an independent appraiser and the appraiser's determination shall be binding. If Franchisor does not exercise its option to purchase pursuant to the terms of the Third Party Offer or the Right of First Refusal Offer, as provided in this Section 9.D or Section 9.C, Franchisee or its Principals may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the transfer as provided in Section 9.B, provided

that if the sale to such offeror is not completed within 90 days after delivery of such offer to Franchisor, or if there is any change in the terms of the offer, Franchisee must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30-day period following Franchisee's notification of the expiration of the 90-day period or the change to the terms of the offer.

## E. Transfer Upon Death or Disability

- (1) Upon the death or disability of Franchisee or a Principal, the executor, administrator, conservator or other personal representative of such person shall transfer the Franchisee's or Principal's interest to a party approved by Franchisor within six months thereof. The transfer must be completed within six months of the death or disability or this Agreement shall automatically terminate, unless Franchisor grants an extension in writing. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all conditions set forth in this Article 9, including Franchisor's right of first offer and right of first refusal, provided that if the transfer is by devise or inheritance, the transferor will not be obligated to pay a transfer fee. Franchisor's consent to a transfer of any interest subject to the restrictions of this Article 9 of this Agreement, shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of this Agreement by the transferee. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or a Principal from operating the Franchised Business in the manner required by this Agreement and the Franchise Brand Standards Manual or from performing its, his, or her obligations under this Agreement and the Franchise Brand Standards Manual.
- (2) During the period between death or disability of Franchisee or a Principal and the completion of the transfer described in Section 9.E(1), the Franchised Business still must be operated in accordance with the terms and conditions of this Agreement. Upon the death or disability of Franchisee or a Principal, the Franchisee's or the Principal's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a manager (unless Franchisee or the Principal had previously appointed a manager who remains responsible for the day-to-day operation of the Franchised Business). Any new manager must complete Franchisor's standard training program at Franchisee's expense, sign Franchisor's then-current form of confidentiality and non-solicit agreement, and comply with any of Franchisor's then-current requirements for acceptance of a manager.
- (3) Not in lieu of any additional rights Franchisor may have, upon death or disability of Franchisee or a Principal, Franchisor may, but not need, assume the Franchised Business's management (or appoint a party to assume its management) until the transfer pursuant to <u>Section 9.E(1)</u> is completed. The terms and conditions for the exercise of Franchisor's step-in right are set forth in <u>Section 12.E</u>.

### 10. **DEFAULT AND TERMINATION**

- A. <u>Default and Termination</u>. Franchisee acknowledges that each of Franchisee's obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable. Franchisee agrees to pay to Franchisor all liabilities, damages, costs, and expenses, including reasonable attorney's fees, incurred by Franchisor in connection with any of Franchisee's default(s) of this Agreement.
- B. <u>Automatic Termination</u>. Franchisee will be deemed to be in default of this Agreement, and all rights granted herein will automatically terminate without notice to Franchisee if:

- (1) Franchisee becomes insolvent or makes a general assignment for the benefit of creditors;
- (2) Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof;
- (3) an involuntary petition is filed with respect to Franchisee under any such laws and is not dismissed within 60 days after it is filed;
  - (4) Franchisee admits in writing its inability to pay its debts when due;
- (5) Franchisee is adjudicated as bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state;
- (6) a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee;
- (7) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;
- (8) proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee;
- (9) a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed);
  - (10) Franchisee is dissolved;
- (11) This Agreement and the Franchised Business are not transferred in accordance with Section 9 of this Agreement within six months of the death or disability of Franchisee or any of its Principals, unless Franchisor grants an extension in writing; or
  - (12) execution is levied against Franchisee's business or property.
- C. <u>Termination on Notice; No Cure</u>. Franchisor may terminate this Agreement immediately upon written notice to Franchisee, without an opportunity to cure, if:
- (1) Franchisee abandons or otherwise ceases operations of the Franchised Business contemplated by this Agreement;
- (2) Franchisee transfers or attempts to transfer this Agreement in violation of Section 9. of this Agreement;
- (3) Franchisee uses the Copyrighted Materials or uses or discloses the Confidential Information in violation of this Agreement;
- (4) Franchisee or any of its Principals fails to comply with any of the covenants set forth in this Agreement, including those in Section <u>7.A</u> to <u>7.D.</u> relating to confidentiality and restrictions against unfair competition and solicitation;

- (5) Franchisee or any of its Principals misuses or makes any unauthorized use of the System, the Marks, or impairs the goodwill associated therewith or Franchisor's rights therein; or otherwise breaches the obligations set forth in Section 8;
- (6) Franchisee or any Principal makes any material misrepresentation to Franchisor or breaches any warranty or representation made to Franchisor, whether in this Agreement or otherwise;
- (7) Whether before or after the Effective Date, Franchisee or any Principal has been or is charged with, convicted of, or pleads nolo contendere to, a felony or indictable offense in any court, is subject to a judgment, default, lien, bankruptcy, or similar occurrence, becomes known to Communities, Industry Groups, or advertisers as being of bad moral character, disparages, embarrasses, or tarnishes Franchisor's reputation, or fails to comport itself at all times in accordance with the highest standards of conduct and behavior, consistent with its responsibilities as a franchisee;
- (8) For any N2 publication for which Franchisee is responsible, the total expenses, including Royalty and Publication Expenses (defined below), in a given month exceed the revenue actually received by Franchisor in that same month under the Advertising Contracts for that same publication;
- (9) Franchisee, its Principals, or any of its affiliates is in default of any other agreement with Franchisor or any of Franchisor's affiliates and fails to cure such default as provided for in such other agreement;
- (10) Franchisee or any of the Principals commits a second or subsequent event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor;
  - (11) Franchisee underreports its sales of Advertising Contracts;
- (12) Franchisee accepts any payments from any advertiser, Community, or Industry Group, or makes any payments on behalf of any Community, Industry Group, or advertiser, for any reason;
- (13) Franchisee begins operations of the Franchised Business prior to receiving prior authorization from Franchisor;
- (14) Franchisee operates under any trademark not approved by Franchisor or otherwise uses any trademark not approved by Franchisor in the operation of the Franchised Business;
  - (15) Franchisee defaults under Section 5.M;
- (16) Franchisee fails to include the minimum number of pages in an issue (as determined by Franchisor's then-current standard) two or more times within a six month period;
  - (17) Franchisee fails to meet a deadline two or more times within a 12 month period;
- (18) Franchisee or any of the Principals acts, or fails to act, in a way that that is reasonably likely to have an adverse effect on the Publication, N2 publications, the System, or the Marks; or Franchisee, by act or omission, impairs the value of, or the goodwill associated with, the Publication, N2 publications, the System, or the Marks;

- (19) Franchisor terminates more than one publication contract or otherwise ceases production of more than one publication for which Franchisee is responsible, in any six-month period due to the fact that the Publication Expenses for such publications exceed the total revenue received by Franchisor with respect to such publications;
- (20) Franchisee otherwise discontinues more than one N2 publication in any six-month period for any reason or is forced to discontinue more than one N2 publication in any six-month period of time due to the fact that the Publication Expenses for such discontinued publication exceed the total revenue received by Franchisor with respect to such publication; or
  - (21) Franchisee commits a default which is not capable of being cured.
- D. Termination on Notice; Opportunity to Cure. Except as provided in Sections 10.B. and 10.C. of this Agreement, upon any default by Franchisee which is capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time period within which the default must be cured ("cure period"). Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the cure period (or any longer period that applicable law may require). If any such default is not cured within the cure period, this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the cure period. Unless included in the provision below, the cure period will be specified in Franchisor's notice to Franchisee. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:
- (1) Franchisee does not meet all content, review, approval, processing and other publication deadlines for the Publication, including but not limited to the deadline to provide approval(s) on or before the Franchisee's assigned Commission date, or such other date as Franchisor may specify from time to time;
- (2) Franchisee does not operate its Franchised Business in accordance with all of Franchisor's standards and procedures, including without limitation, those set forth in <u>Sections 5.B. and 5.E.</u> of this Agreement and those set forth in Franchisor's Franchise Brand Standards Manual;
- (3) Franchisee fails to maintain the Publication for the Territory that contains substantive, current, community-specific information in accordance with Franchisor's standards and procedures;
- (4) Franchisee fails to submit content on or before the applicable deadline or fails to submit sufficient content;
- (5) Franchisee or Principals fail to return any Returnable Commissions to Franchisor within 15 days after receiving notice from Franchisor that such Returnable Commissions are due;
- (6) Franchisee fails to pay when due any fee, expense, charge, or other amount due and owing to any supplier or creditor of Franchisee;
- (7) Franchisee fails to pay its Independent Staff in accordance with applicable federal, state, and local labor and/or employment and payday laws;
- (8) Franchisee or any Principal (i) fails to interact with a lead or facilitate a client relationship with Hyport Digital in a professional manner or (ii) through act or omission, violates a policy

or requirement of the Franchise Brand Standards Manual regarding the Hyport Digital leads, clients, goods, services, and trademarks;

- (9) Franchisee or any Principal fails to interact in a professional manner with any other franchisees, current or prospective advertisers and clients, and members of Communities or Industry Groups;
- (10) Franchisor receives repeated advertiser, Community, or Industry Group complaints about the Franchised Business; or
  - (11) Franchisee fails to comply with any other provision of this Agreement.
- E. <u>Mutual Termination Right</u>. Franchisor and Franchisee each have the right to terminate this Agreement for any reason or no reason by providing the other party with written notice of termination on or before the earlier to occur of (1) nine months following the Effective Date or (2) the date on which the first issue of the Publication is issued. In the event of termination of this Agreement pursuant to this <u>Section 10.E.</u>, neither party will incur any liability or have any obligation to pay the other party any amounts hereunder, except for amounts due and owing as of the date of the mutual termination. In Franchisor's sole discretion, Franchisor may condition Franchisee's termination under this <u>Section 10.E.</u> upon the parties' execution of a mutual termination and release agreement in the form required by Franchisor and Franchisee's compliance with the wind-down procedures in the Franchise Brand Standards Manual, and Franchisee will be required to comply with all of its post-termination obligations required in this Agreement. If Franchisee fails to comply with the terms of the mutual termination and release agreement, abandons the Franchised Business prior to the date of mutual termination, or fails to comply with the wind-down procedures in the Franchise Brand Standards Manual, Franchisor may charge the Wind-Down Damages.
- Consent to Mutual Termination. Franchisee may request mutual termination during the Term of this Agreement. Franchisor has no obligation to consent to such mutual termination. If, in Franchisor's sole discretion, Franchisor consents to mutual termination Franchisor may establish the termination date, which date shall be no earlier than fifteen days, and no later than ninety days, after the date Franchisor receives Franchisee's request for mutual termination. Franchisor shall give Franchisee at least three days prior notice of the effective date of termination. Franchisor, in its sole discretion and for any reason and no reason, has the right to accelerate the wind-down period and terminate this Agreement earlier than the initially communicated to Franchisor, subject to the three days prior notice requirement unless Franchisor has the right to immediately terminate this Agreement due to Franchisee's defaults. During the period that is between fifteen days of the Franchisee's request and the effective termination date established by Franchisor, Franchisee shall comply with Franchisor's instructions regarding the wind-down of Franchisee's operations, comply with the wind-down procedures in the Franchise Brand Standards Manual, and cooperate in good faith with Franchisor, its affiliates, and their representatives during the winddown period, including meeting digitally or in-person if requested. For the avoidance of doubt, Franchisee has an obligation to continue to operate the Franchised Business until the effective date of termination. If Franchisee abandons the Franchised Business prior to the effective date of termination established by Franchisor or fails to comply with the wind-down procedures in the Franchise Brand Standards Manual. Franchisee is in default of this Agreement and Franchisor shall have the right to immediately terminate this Agreement and charge the Wind-Down Damages. Franchisee shall pay all costs, expenses and attorneys' fees incurred by Franchisor in enforcing the terms and conditions of this provision. Nothing contained herein shall be construed as prohibiting Franchisor from additionally pursuing any other remedies which may be available to Franchisor for a breach.

- G. <u>Step-In Rights</u>. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to meet any of the requirements of this Agreement, or upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to assume the Franchised Business's management (or appoint a party to assume its management) until such time as Franchisor determines that the default has been cured and Franchisee is otherwise in compliance with this Agreement, or until Franchisor determines it will no longer exercise its step-in right. The terms and conditions for the exercise of Franchisor's step-in right are set forth in <u>Section 12.E</u>.
- H. <u>Limitation of Services or Benefits</u>. Franchisor shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided by Franchisor or Franchisor's affiliates, or required to be provided by Franchisor, to Franchisee hereunder in lieu of exercising its right to terminate this Agreement, including, without limitation, eliminating any Online Presences associated with the Publication or the Franchised Business, restricting or removing Franchisee's right to purchase products directly or indirectly from Franchisor or its affiliates, limiting Franchisor's advertising and promotional assistance, restricting or removing Franchisee's right to use Franchisor's Software Programs or Franchisor-provided Technology, if any, and publishing the Publication. Nothing in this Section constitutes a waiver of any other right or remedy of Franchisor under this Agreement. Franchisee acknowledges that Franchisor's exercise of its rights pursuant to this Section shall not be deemed a constructive termination. Any services or benefits removed or limited pursuant to this Section may be reinstated at any time in Franchisor's sole discretion.
- I. <u>Wind-Down Damages</u>. Franchisee and Franchisor agree that it would be difficult if not impossible to determine the amount of damages that Franchisor would suffer due to Franchisee (i) abandoning the Franchised Business prior to the expiration date or a mutually agreed upon termination date or (ii) failing to comply with the wind-down procedures in the Franchise Brand Standards Manual. Therefore, Franchisee and Franchisor agree that a reasonable estimate of those damages (as liquidated damages and not as a penalty) is an amount equal to the greater of six months' worth of the average Royalty Franchisee paid for the prior 12 months or \$2,500 ("**Wind-Down Damages**"). Franchisor shall have the right to deduct or withhold any Wind-Down Damages from Franchisee's Commissions or transfer the Wind-Down Damages by EFT from Franchisee to Franchisor.

# 11. <u>OBLIGATIONS OF FRANCHISEE PRIOR TO OR UPON EXPIRATION OR TERMINATION</u>

- A. Prior to the closing of a transfer of the Franchised Business or expiration of this Agreement, Franchisee shall comply with Franchisor's instructions regarding the wind-down of Franchisee's operations, comply with the wind-down procedures in the Franchise Brand Standards Manual, and cooperate in good faith with Franchisor, its affiliates, and their representatives during the wind-down period, including meeting digitally or in-person if requested. For the avoidance of doubt, Franchisee has an obligation to continue to operate the Franchised Business until the closing of the transfer or the expiration date. If Franchisee abandons the Franchised Business prior to the closing of the transfer or the expiration date or fails to comply with the wind-down procedures in the Franchise Brand Standards Manual, Franchisee is in default of this Agreement and Franchisor may charge the Wind-Down Damages. Franchisee shall pay all costs, expenses and attorneys' fees incurred by Franchisor in enforcing the terms and conditions of this provision. Nothing contained herein shall be construed as prohibiting Franchisor from additionally pursuing any other remedies which may be available to Franchisor for a breach.
- B. Upon the expiration or termination of this Agreement (including termination following transfer, if applicable), all rights granted to Franchisee hereunder will immediately terminate, and Franchisee and its Principals must:

- (1) Immediately cease to conduct operations of the Franchised Business and cease holding themselves out as a Franchisee (or a Principal of a Franchisee) of Franchisor (except for purposes of disclosing past experience on a resume);
- (2) Promptly discontinue all use of the Marks, Copyrighted Materials, and Confidential Information and take appropriate action to return to Franchisor, or the transferee if Franchisor so designates, all Copyrighted Materials and Confidential Information in Franchisee's possession or within its control;
  - (3) Pay all amounts due under this Agreement;
- (4) Pay to Franchisor all damages, costs, and expenses, including reasonable attorney's fees and enforcement costs, incurred by Franchisor in connection with any of Franchisee's default(s) of this Agreement;
  - (5) Comply with the covenants set forth in <u>Section 7.</u>;
- (6) At Franchisor's option, assign to Franchisor, or if applicable, the transferee, all rights, control, and access to any business listings and Online Presences (including accounts, credentials, and login information) and telephone numbers (including personal cellphone numbers) related to or associated with the Franchised Business and execute all forms and documents required by Franchisor to transfer such items to Franchisor or, if applicable, the transferee. Franchisee agrees to use different telephone numbers, business listings, and Online Presences in connection with any subsequent business conducted by Franchisee. Franchisor has the right to prohibit Franchisee's continued control of, use of, or access to such Online Presences;
- (7) Comply with Franchisor's instructions related to the Technology and Franchised Business Data; and
- (8) Pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees and lost profits, incurred by Franchisor as a result of or subsequent to the termination or expiration of this Agreement, including costs and expenses related to obtaining injunctive or other relief for the enforcement of any provisions of this Section 11.

### 12. INSURANCE: INDEMNIFICATION: INDEPENDENT CONTRACTOR

- A. <u>Insurance</u>. Franchisee will procure and maintain in full force and effect at all times during the Term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring at or in connection with Franchisee's operation as an independent contractor. Such policy or policies must be written by a carrier approved or required by Franchisor and must include, but not be limited to, the following:
- (1) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability, and fire damage coverage, in the amount of \$2,000,000 combined single limit per occurrence, \$4,000,000 general aggregate.
- (2) Automobile liability coverage, including coverage of owned, non-owned, and hired vehicles, with coverage in amounts not less than \$300,000, combined single limit.

- (3) Event insurance for each event Franchisee hosts or sponsors in connection with the Publication in the amount of \$1,000,000 per occurrence, \$2,000,000 in the aggregate, regardless of where the event is located.
- (4) Such other insurance as may be required by the state or locality in which Franchisee operates.

Franchisor reserves the right, in its sole discretion, to require Franchisee to procure and maintain in full force and effect at all times during the Term of this Agreement, at Franchisee's expense, any other insurance policies or coverages that Franchisor deems necessary, as well as higher policy limits, as specified by Franchisor from time to time in writing.

Franchisee may elect to have reasonable deductibles in connection with the coverage required under above. Such policies must also include a waiver of subrogation in favor of Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them. Franchisee's obligation to obtain and maintain the foregoing policies in the amounts specified are not limited in any way by reason of any insurance which may be maintained by Franchisor, nor will Franchisee's performance of such obligation relieve it of liability under the indemnity provisions set forth in <a href="Section 12.B.">Section 12.B.</a> of this Agreement. All insurance policies required hereunder (except workers' compensation, if applicable) must name Franchisor and its affiliates, and the officers, directors, shareholders, partners, members, managers, agents, representatives, independent contractors, servants, and employees of each of them, as additional insureds and must expressly provide that such additional insureds' interests will not be affected by Franchisee's breach of any policy provisions and that the insurer must defend each additional insured in any covered action while reserving the additional insureds' right to involve counsel of their own choosing. Franchisee's insurance must apply as primary and non-contributory.

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in writing, Franchisor will have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, will be payable by Franchisee immediately upon notice. Franchisor may also, in its sole discretion, elect to reduce the compensation payable to Franchisee under Section 4. of this Agreement by an amount equal to the charges Franchisor incurs in procuring and maintaining such insurance coverage required by this Agreement. The foregoing remedies are in addition to any other remedies Franchisor may have at law or in equity.

### B. Indemnification.

(1) Franchisee and the Principals ("Franchisee Indemnifying Parties") agree to fully protect, indemnify, defend, reimburse, and hold harmless Franchisor; Franchisor's predecessors and affiliates; shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities, past or present (collectively, "Indemnitees"), harmless, to the fullest extent permitted by law, from any and all Losses and Expenses (defined below) incurred in connection with any action, suit, proceeding, claim, demand, judgment, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) (collectively, "Action"), arising from any of the following: (1) Franchisee Indemnifying Parties', the Independent Staff's, or the Franchised Business's actual or alleged violation of any law, rule, regulation, or ordinance; (2) damage to property; (3) injury to or death or disability of any person; (4) negligence, recklessness, misconduct, or criminal conduct

by the Franchisee Indemnifying Parties', the operations managers, or any of Franchisee's Independent Staff; (5) data breaches; (6) Franchisee Indemnifying Parties' breach of this Agreement or any representations and warranties they make herein; (7) infringement of any intellectual property rights; (8) any failure to warn or give instructions related to any products or services provided by Indemnitees or by Franchisee; (9) any labor or employment law disputes relating to the Franchised Business or claims arising out of Franchisee's employment practices, including claims that any of the Indemnities are the employer, joint employer, or co-employer of Franchisee, the Principals, or Franchisee's agents, employees, or contractors; (10) any third party claim that arises from or is connected that explicitly or implicitly is premised on Franchisor's direct and vicarious liability or arises from Franchisee's employment and personnel decisions, including wrongful termination, wage and hour violations, and employee harassment and discrimination; (11) any acts, errors, or omissions of the Franchised Business, the Franchisee Indemnifying Parties, and the Independent Staff, (12) the content of, advertisements in, and distribution of the Publication; or (13) any third party claim that arises from or is connected with the ownership, establishment, operation, or closure of the Franchised Business and the Publication.

"Losses and Expenses" includes, without limitation, all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, obligations, liabilities, penalties, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, and other such amounts incurred in connection with the matters described. This indemnity will survive the expiration or termination of this Agreement. Franchisee Indemnifying Parties agree that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of the Indemnitees. Franchisee Indemnifying Parties hereby waive all claims against Indemnitees arising from any of the foregoing.

- Franchisee will also notify Franchisor by telephone of any Action within fortyeight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Indemnitees shall have the right, in their sole discretion, and at Franchisee's expense and risk, to: (1) retain counsel of their own choosing to represent them with respect to any claim, and (2) control the response thereto and the defense thereof, including the right to enter into settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee Indemnifying Parties must reimburse Indemnitees for all of Indemnitees' costs, expenses, and all attorneys' fees immediately upon Indemnitees' request. Franchisee Indemnifying Parties shall not, without the prior written consent of the Indemnitees, (A) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnitees, or (B) settle or compromise any claim in any manner that may adversely affect the Indemnitees. Franchisee Indemnifying Parties agree to give their full cooperation to Indemnitees in assisting with the defense of any such claim. Indemnitees' undertaking of defense and/or settlement will in no way diminish Franchisee Indemnifying Parties' obligations to indemnify Indemnitees and to hold Indemnitees harmless. Under no circumstance will Indemnitees be required to seek recovery from any insurer or other third party or otherwise mitigate Indemnitees' or the third parties' losses to maintain a claim for indemnification against Franchisee Indemnifying Parties. Franchisee Indemnifying Parties agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Indemnitees from Franchisee.
- C. <u>Collections Actions</u>. Franchisee will reimburse Franchisor or its affiliate for the costs Franchisor or its affiliate incurs to enforce advertising contracts entered into in connection with the Publication. If advertisers breach such agreements, Franchisor and/or its affiliate reserve the right, in their sole discretion, to seek payment from advertisers either by engaging a collections agency, instituting other collections means, and/or filing a lawsuit, and Franchisee will reimburse Franchisor or its affiliate for the costs of enforcement, including without limitation collections costs, other legal and court costs, and reasonable attorneys' fees.

- Relationship of the Parties. Franchisee and Franchisor are independent contractors. Neither Franchisee nor Franchisor are agents, legal representatives, affiliates, joint venturers, partners, employees, or servants of the other for any purpose. Neither Franchisee nor Franchisor will be obligated by, or have any liability under, any agreements or representations made by the other, nor will Franchisor be liable for any damages to any person or property directly or indirectly arising out of Franchisee's operation of the Franchised Business, whether or not caused by Franchisor's negligence or willful action or failure to act. Franchisor also has no liability for any sales, use, excise, gross receipts, property, income, or other taxes that Franchisee might incur in connection with Franchisee's operation of the Franchised Business. Franchisee has control over Franchisee's own work schedule and determines the hours Franchisee works on any given day. Franchisee will use his or her own equipment and materials. Franchisor will provide from time to time suggestions and training to assist Franchisee, but Franchisee has control over the method used to obtain the desired results, provided that the actions performed are ethical, legal, and do not violate Franchisor's policies. All employees and independent contractors hired by or working for Franchisee will be Franchisee's or Franchisee's affiliates' employees or independent contractors and will not, for any purpose, be deemed employees or independent contractors of Franchisor or subject to Franchisor's control. Franchisor does not have the authority to hire, fire, promote, or demote any of Franchisee's or Franchisee's affiliates' employees or independent contractors or take any disciplinary action whatsoever against any of them. Franchisor does not have the right to control any of the following for Franchisee's employee and independent contractors: the hours of work, scheduling, workplace health and safety, supervision, assignment, work rules, directions for the manner, means or methods of work performance. Additionally, Franchisee must communicate to all employees that Franchisee, not Franchisor, is their employer; and Franchisee must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or Franchisor's name. During the Term of this Agreement, Franchisee must hold itself out to the public as an independent contractor conducting the Franchised Business pursuant to the rights granted by Franchisor. In accordance with the policies and format for given notice determined by Franchisor, Franchisee may notify Franchisor that one or more of Franchisee's Independent Staff are authorized to be Franchisee's agent(s) and to communicate with Franchisor and its affiliates on Franchisee's behalf on the matters that Franchisee specifies. Franchisor shall not be liable to Franchisee for losses or expenses Franchisee incurs due to Franchisor's compliance with the instructions given by Franchisee's agents.
- E. <u>Step-In Rights Generally</u>. In the event Franchisor exercises its step-in rights in accordance with the terms as set forth above Franchisee, must (in addition to paying all other amounts owed due under this Agreement) pay to Franchisor an additional fee of 45% of the monthly Cash Received, plus any expenses Franchisor or a third party incurs in managing the Franchised Business ("Management Fee"). The Franchisee shall pay the Management Fee for as long as the Franchisor or the third party is operating the Franchised Business. The Management Fee is due monthly. If Franchisor (or a party it appoints) undertakes to operate the Franchised Business pursuant to the exercise of Franchisor's step-in rights, Franchisee Indemnifying Parties agree to indemnify and hold Indemnitees or the other party (and Franchisor's or the party's affiliates, representative(s), and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's or the party's operation of the Franchised Business. Franchisor (or a party) has a duty to utilize only reasonable efforts to operate the Franchised Business and will not be liable to Franchisee, a Principal, or their respective heirs, beneficiaries, or devisees for any debts, losses, or obligations the Franchised Business incurs, or to any of Franchisee's or its Principals' creditors for any products, other assets, or services the Franchised Business purchases, while Franchisor (or a party) manages it.

#### 13. NOTICES

A. Except as expressly provided in <u>Section 13.B.</u> below, any and all notices required or permitted under this Agreement must be in writing and must be delivered by electronic mail to the parties at the following email addresses:

Notices to NZ:	legal@n2co.com
Notices to Franchisee	@n2co.com and
and Principals	[INSERT PERSONAL EMAIL ADDRESSES]

All notices and other written communications will be deemed delivered and received on the date the transmission is received in the email box designated above, whether or not the party receiving such message opens and reads the message in a timely manner. Franchisor and Franchisee have, and each of them hereby accept, the obligation to check, open, and read the messages in the email boxes designated above at least once each Business Day.

B. Upon the expiration or termination of this Agreement, or if, for any reason, Franchisor no longer provides an n2co.com email account to Franchisee, then all future notices must be in writing and personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid to the parties at the following addresses until a different address is designated by written notice to the other party:

Notices to Franchisor:	N2 Franchising, Inc. Attention: General Counsel 2093 Philadelphia Pike, #3202, Claymont, DE 19703	
Notices to Franchisee and Principals:		
Attention:		

## 14. APPLICABLE LAW: DISPUTE RESOLUTION

- A. <u>Governing Law</u>. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and its affiliates, and Franchisee and its Principals will be governed by and construed in accordance with the laws of the state of Texas, without regard to its conflict of law rules. Franchisor and Franchisee acknowledge that the agreements regarding applicable law, forum, and venue set forth in this <u>Section 14.</u> provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the relationship created by this Agreement. Franchisor and Franchisee further acknowledge the receipt and sufficiency of mutual consideration for such benefit.
- B. <u>Mediation</u>. Before Franchisee and its Principals or Franchisor may bring an action against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding. Mediation shall be conducted in accordance with the American Arbitration Association rules for mediation of commercial disputes and held in the city in which Franchisor maintains its principal business office at the time of the arbitration. The mediator must be experienced in franchising or franchise law and have no prior business or professional relationship with either party. Notwithstanding the foregoing, the parties may mutually agree on a mediator, procedures, and/or venue for mediation. The

non-binding mediation provided for herein shall be commenced by the party requesting mediation ("complainant") providing written notice of the request for mediation to the party with whom mediation is sought ("respondent"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to Franchisor if Franchisor is not a complainant or respondent. Mediation commenced under this Section 14.B. shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

### C. Arbitration.

- between Franchisee and Franchisor, and following compliance with the applicable mediation requirements set forth in Section 14.B. above, any dispute, controversy, or claim arising out of, in connection with, or relating to this Agreement, and the relationships created hereby; or the formation, interpretation, breach, termination, or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, must be resolved by arbitration. The arbitration must be administered in accordance with the Commercial Rules of the AAA. There will be one arbitrator. The arbitrator must be experienced in franchising or franchise law and have no prior business or professional relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("FAA"). The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the FAA and that arbitration will be held as provided in this Section 14.C. The arbitrator must provide a reasoned award in writing. The award rendered by the arbitrator will be final, and judgment may be entered thereon in any court having jurisdiction thereof.
- (2) The costs and expenses of arbitration paid to the AAA and to the arbitrator will initially be paid equally by the two sides to the arbitration. All other arbitration-related expenses, including but not limited to attorneys' fees and travel expenses, will be paid initially by the party which incurred such expense. Notwithstanding the foregoing, the arbitrator must award to the prevailing party the reasonable costs and fees, including attorneys' fees, incurred in the arbitration.
- (3) Arbitration will be conducted in the city in which Franchisor maintains its principal business office at the time of the arbitration.
- (4) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ARBITRATION WILL PROCEED SOLELY ON AN INDIVIDUAL BASIS WITHOUT THE RIGHT FOR ANY DISPUTES TO BE ARBITRATED ON A CLASS ACTION BASIS OR ON BASES INVOLVING CLAIMS BROUGHT IN A PURPORTED REPRESENTATIVE CAPACITY ON BEHALF OF OTHERS. DISPUTES MAY NOT BE JOINED OR CONSOLIDATED WITH ANY OTHER ARBITRATION UNLESS AGREED TO IN WRITING BY ALL PARTIES.
- (5) The arbitrator has no power or authority to award punitive damages and, with respect to any claim for damages, the arbitrator is authorized to award only actual damages sustained by a party.
- (6) If Franchisor, Franchisee, or any of Franchisee's Principals files in court any claim that should have been brought in arbitration under this <u>Section 14.C.</u>, and the other party succeeds in a motion to compel arbitration of such claim, the party filing such claim in court must reimburse the other party its reasonable attorneys' fees and costs for defending against the lawsuit and for its motion to compel

arbitration. Further, if prior to an arbitrator's final decision, either Franchisee, any of Franchisee's Principals, or Franchisor commences an action in any court for a claim that arises out of or relates to this Agreement (except for the purpose of enforcing this arbitration provision or as otherwise permitted by this Agreement), the party bringing the action in court will be responsible for the other party's expenses of enforcing this arbitration provision, including court costs, arbitration filing fees, and other costs and attorneys' fees.

- (7) Neither Franchisee nor any of Franchisee's Principals will assert any claim or cause of action against Franchisor or its officers, directors, shareholders, employees, or affiliates after two years following the event giving rise to such claim or cause of action.
- D. Notwithstanding the foregoing provisions of Section 14.B. and Section 14.C., controversies, disputes, or claims related to or based on past due monies owed by Franchisee pursuant to this Agreement, the Marks, the Confidential Information, the Client List, Franchisor's intellectual property, Franchisee's and the Principals' covenants against unfair competition and unfair solicitation, or the Copyrighted Materials may be brought immediately in court by Franchisor and its affiliates without a requirement for mediation or arbitration. Notwithstanding the foregoing provisions of Section 14.B. and Section 14.C., each party retains the right to apply to any court of competent jurisdiction for provisional and/or conservatory relief, including injunctions or pre-arbitral attachments, and any such request will not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate. Franchisee and its Principals hereby irrevocably consent to personal jurisdiction in the state and federal courts located in the county in which Franchisor maintains its principal place of business for this purpose.
- E. To the extent that litigation is permitted in accordance with the above provisions, or in the event that, notwithstanding the above provisions, it is ultimately determined that a particular claim is not arbitrable under applicable law, the following provisions will apply:
- (1) <u>VENUE AND JURISDICTION</u>. ANY ACTION BROUGHT BY ANY PARTY, AGAINST THE OTHER IN ANY COURT, WHETHER FEDERAL OR STATE, MUST BE BROUGHT EXCLUSIVELY WITHIN THE COUNTY OR THE FEDERAL JUDICIAL DISTRICT WHERE FRANCHISOR'S PRINCIPAL BUSINESS OFFICE IS LOCATED. FRANCHISEE AND ITS PRINCIPALS HEREBY SUBMIT TO THE JURISDICTION OF THOSE COURTS FOR PURPOSES OF ANY SUCH PROCEEDING AND WAIVE ANY OBJECTIONS TO JURISDICTION AND ANY CLAIM THAT SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE IS IMPROPER. NOTWITHSTANDING THE ABOVE, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER PROVISIONAL RELIEF, ANY PARTY MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.
- (2) <u>WAIVER OF JURY TRIAL</u>. FRANCHISEE AND FRANCHISOR HEREBY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.
- (3) <u>WAIVER OF PUNITIVE DAMAGES</u>. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, CLAIMS FOR DAMAGES WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY A PARTY.

(4) <u>Attorneys' Fees</u>. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party will be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

### 15. <u>CONSTRUCTION OF AGREEMENT</u>

- A. <u>Entire Agreement</u>. This Agreement, the documents referred to herein, and the Attachments hereto constitute the entire, full, and complete agreement between Franchisor, Franchisee, and Principals concerning the subject matter hereof and supersede all prior related agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.
- B. <u>No Waiver</u>. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or the Principals under this Agreement will constitute a waiver by Franchisor to enforce any such right, option, duty, or power against Franchisee or the Principals, or as to a subsequent breach or default by Franchisee or the Principals.
- C. <u>Approval or Consent</u>. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee must make a timely written request to Franchisor, and such approval or consent must be obtained in writing. No waiver, approval, consent, advice, or suggestion given to Franchisee, and no neglect, delay, or denial of any request therefor, will constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.
- D. <u>Force Majeure</u>. Upon the occurrence of an event of Force Majeure, the party affected thereby must give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party must promptly undertake and maintain with due diligence. Such affected party will be liable for failure to give timely notice only to the extent of damage actually caused. Except as provided in this <u>Section 15.D.</u>, neither party will be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.
- E. <u>Severability</u>. Except as expressly provided to the contrary herein, each portion, section, part, term, and provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term, or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such determination will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms, or provisions of this Agreement that may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms, or provisions will be deemed not to be part of this Agreement; and such portion, section, part, term, or provision as similar as possible to that which was severed will automatically be added, which addition will be valid and not contrary to or in conflict with any law or regulation.
- F. <u>Counterpart Execution; Digital Signatures</u>. This Agreement may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument. Facsimile signatures, which includes digital signatures, will have the same effect as handwritten signatures for the purposes of validity, enforceability, and admissibility.

- G. <u>Headings</u>. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions will not be deemed to govern, limit, modify, or in any other manner affect the scope, meaning, or intent of the provisions of this Agreement or any part thereof, nor will such captions otherwise be given any legal effect.
- H. <u>Survival</u>. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Principals therein will be deemed to survive such termination, expiration, or transfer. Without limitation of the foregoing, the provisions of <u>Section 14</u>. are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.
- I. <u>Interpretation</u>. All references herein to the masculine, neuter, or singular will be construed to include the masculine, feminine, neuter, or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements, and obligations made or undertaken by Franchisee in this Agreement will be deemed, jointly and severally, undertaken by all of the Principals. No term of this Agreement shall be deemed to restrict Franchisee's ability to communicate with government agencies and officials regarding the Franchised Business.
- J. Remedies Cumulative. All rights and remedies of the parties to this Agreement are cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure, or default or threatened breach, failure, or default of any term, provision, or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement will be continuing and will not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights pursuant to Section 10. of this Agreement will not discharge or release Franchisee or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement. Additionally, Franchisee and the Principals will pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.
- K. <u>No Third-Party Beneficiary</u>. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, the Indemnitees and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by <u>Section 9.</u>) any rights or remedies under or as a result of this Agreement.
- L. <u>Further Assurances</u>. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.
- M. <u>Agreement Effective Upon Execution by Franchisor</u>. This Agreement will not become effective until signed by an authorized representative of Franchisor.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates set forth below, each intending to be legally bound by its terms.

FRANCHISOR:	FRANCHISEE:
N2 Franchising, Inc.	[Insert name of Franchisee entity here]
By:	By:
Duane Hixon, CEO	Name:
Date:	Title:
	Date:

# ATTACHMENT A DEFINITIONS

"Franchise Brand Standards Manual" means Franchisor's confidential operations manual, which may consist of one or more manuals, containing Franchisor's mandatory and suggested standards, specifications, and operating procedures relating to the operation of the Franchised Business and Franchisee's obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to Franchisee, including bulletins, video files, audio files, CD ROMs, and electronic communications.

"Advertising Value" means the greater of (1) the minimum market value of each ad, as Franchisor or its affiliate determines, in its sole discretion; (2) the contract price for which the print advertising actually sold, which Franchisee can determine; (3) the cash value of services that Franchisee barters in exchange for print advertising; or (4) the combined amount/value of (2) and (3), if applicable.

An "affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person, and includes parents and subsidiaries of the named person.

"Business Day" means each day other than a Saturday, Sunday, federal U.S. holiday, or any other day on which the Federal Reserve is not open for business in the United States.

"Cash Received" means all revenue actually received by Franchisor or its affiliates from advertisers, Communities, Industry Groups, or other parties under the terms of an Advertising Contract or any other form of agreement or contract related to the Publication.

"Commission" the Franchisee will receive for each of the N2 publications it manages, including the Publication, is calculated as follows:

- (i) For any print advertisement Franchisee sells for inclusion in the Publication, the amount equal to the total Cash Received for the Publication in the applicable month; minus the Royalty for the Publication for the applicable month; minus the Publication Expense for the Publication for the applicable month; plus
- (ii) For any print advertisement Franchisee sells for inclusion in a publication managed by another franchisee or the Franchisor's affiliate, as applicable, (x) the amount equal to Franchisor's then-current Outgoing Cross-Selling Fee, divided by the total number of publications Franchisee manages, or (y) the Pre-print Commission, divided by the total number of publications Franchisee manages; plus
- (iii) For any print advertisement another franchisee or Franchisor's affiliate sells for inclusion in the Publication, the amount equal to Franchisor's then-current Receiving Cross-Selling Fee; plus
- (iv) The amounts paid by advertisers for the digital extended reach ("Extended Reach") services allocated to the Publication; minus the Extended Reach fee for the applicable month; plus
- (v) If in the future Franchisor institutes a fee for managing a client, for any print advertisement where Franchisee "manages" (as defined in Franchisor's then-current Franchise Brand Standards Manual) a client who publishes a print advertisement in a publication managed by another franchisee, Franchisee will receive a Commission equal to Franchisor's then-current Managing Cross-Selling Fee, divided by the number of publications Franchisee manages; minus
- (vi) All other applicable fees and/or deductions applicable to Franchisee or the Publication, including, but not limited to: (1) extra copy orders fee; (2) late commission deductions; (3)

design revision fee and adjustment fee; (4) missed deadline fee and late revision fee; (5) Returnable Commissions; (6) fees for services Franchisor or its affiliates provide, including any optional services Franchisee elects to receive; (7) cross selling fees originating from Franchisee's sales into publications managed by Franchisor or its affiliates or fees for Corporate Ads; (8) lead generation fees; and/or (9) Negative Commissions.

"Confidential Information" means information and know-how, oral, visual or written, and documents relating to Franchisor, its affiliate, the Franchised Business, and any publication furnished by Franchisor or its affiliate, or representatives of Franchisor, to Franchisee. Franchisor's Confidential Information includes, without limitation, all trademarks, trade names, service marks, emblems, and indicia of origin used by Franchisor in connection with the operation of the Franchised Business, and all trade secrets or know-how, including, but not limited to, research, plans, products, services, customer lists, supplier information, advertisers, business plans, marketing data and materials, software, electronic code, forms, processes, methods of operation, strategic information, financial information, manuals, and other business information disclosed to Franchisee by Franchisor or its representatives.

"Copyrighted Materials" means works of authorship which are owned by Franchisor or its affiliate and fixed in a tangible medium of expression including, without limitation, the contents of the Franchise Brand Standards Manual, the design elements of the Marks, Franchisor's bulletins, correspondence, and communications with its franchisees, training, advertising and promotional materials, and the content and design of Franchisor's Online Presences and all N2 publications, and other written materials relating to the operation of the Franchised Business and the System.

"Negative Commissions" means the negative amount that occurs when the Royalty, Publication Expenses, and other applicable fees and deductions (including without limitation amounts owed Franchisor or its affiliate as a result of other agreements between Franchisee or its affiliate on the one hand and Franchisor or its affiliate on the other hand) exceed Cash Received.

"Owner" means all holders of a direct or indirect ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee.

"Person" means an individual or an entity, including a corporation, limited liability company, partnership, trust, unincorporated organization, association, or investment entity, or any Governmental Authority.

"Pre-print Commission" means a one-time payment equal to 10% of the total value of the contract with the advertiser for the purchase of print advertisements to be included in a publication managed by a Receiving Franchisee.

"Principals" includes, collectively and individually, all officers, directors, and limited liability company managers of Franchisee (including the officers and directors and limited liability company managers of any general partner of Franchisee) whom Franchisor designates as Franchisee's Principals, and all Owners.

"Publication Expense" means Franchisor's affiliate's cost to design, publish, print, and deliver each issue of the Publication and undertake all other related tasks, including, without limitation, design fees (for print advertisements), printing costs, postage, administrative costs, including allocable portions of salaries, computer systems, etc., and any miscellaneous fees, including, without limitation, ad creation fees. The Publication Expense for a particular publication is determined based on the number of homes to which the particular publication will be distributed ("Home Count") and the number of pages in the particular publication ("Page Count"). The Publication Expense for a particular publication can be determined by

entering the Home Count and the Page Count in the Publication Calculator on Franchisor's Online Presence or as otherwise provided by Franchisor or its affiliate. Franchisor or its affiliate determines the cost basis used for calculating the Publication Expense ("Cost Basis") on an annual basis, and that Cost Basis is implemented on November 1 of each year and is applied through October 31 of the following year ("Calculation Year"). Notwithstanding anything to the contrary in this Agreement, Franchisor or its affiliate will not increase the Cost Basis by more than the greater of (a) 10% per Calculation Year or (b) the percentage change in the "Consumer Price Index – All Urban Consumers," which is determined and published by the Bureau of Statistics of the United States Department of Labor, for the immediately preceding Calculation Year; except that if postage rates increase at any time during any Calculation Year, Franchisor and its affiliate reserve the right to increase the Cost Basis during the Calculation Year by the amount of the postage rate increase.

"Receiving Franchisee" means the franchisee or affiliate of Franchisor who has the right to distribute the publication within which the print advertisements sold by a Selling Franchisee will be published.

"Royalty" means 15% of the Advertising Value of each issue of the Publication (or, in the case of cross-selling, the publication managed by another franchisee or an affiliate of Franchisor), whether or not Franchisor or its affiliate actually receives payment for the print advertisements.

"Selling Franchisee" means the franchisee (or affiliate of Franchisor) who sells print advertisements to be included in a publication managed by another franchisee (or affiliate of Franchisor).

"**Software Programs**" means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use in connection with the Franchised Business.

# ATTACHMENT B TERRITORY & INITIAL FRANCHISE FEE

Franchisee has the right to distribute the Publication to Communities and Industry Groups located within the Territory described below, and only in the Territory described below, for purposes of operating the Franchised Business.

I	Franchisee's Territory is defined as:		
Check or	ne:		
[		The Initial Franchise Fee of \$735 is waive	ed.
		The Initial Franchise Fee is due and payable because Franchisee is purchasing a franch Franchise Fee is not refundable upon any	•
Acknow	ledged	by:	
FRANCHISOR: N2 Franchising, Inc.			FRANCHISEE: Insert name of Franchisee entity here]
		ixon, CEO N	By:

## ATTACHMENT C PRINCIPALS' UNDERTAKING

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications, and amendments thereto, (collectively, "**Agreement**") by and between N2 Franchising, Inc. ("**Franchisor**"), and [Franchisee], ("**Franchisee**"), and dated [Insert Date of Agreement]), the undersigned ("**Principal**") agrees as follows:

- 1. Principal acknowledges and agrees as follows:
- (a) The undersigned is a "Principal," as defined in the Agreement, and has read the terms and conditions of the Agreement and acknowledges that the execution of this Principal's Undertaking is in partial consideration for, and a condition to, Franchisor entering into the Agreement with Franchisee and that Franchisor would not have entered into the Agreement without the execution of this Principal's Undertaking; and
- (i) makes all of the covenants, representations, warranties, and agreements set forth in Section 5.L. (Legal Compliance), Section 7. (Confidentiality, Non-Competition, Non-Solicitation), Section 8. (Use of Marks and Copyrighted Materials), Section 9. (Transfer and Assignment), and Section 14. (Applicable Law and Dispute Resolution) of the Agreement and is obligated to perform thereunder; and (ii) represents that each and every representation of Franchisee made in connection with the Agreement is true, correct, and complete in all respects as of the time given and as of the time of the undersigned's execution of this Principals' Undertaking.
- (c) If Principal is an Owner, Principal (i) makes all of the covenants representations set forth in Section 7.B and 7.D and (ii) represents that each and every representation of Franchisee made in connection with the Agreement is true, correct, and complete in all respects as of the time given and as of the time of the undersigned's execution of this Principals' Undertaking. If Principal is not an Owner, principal is not bound by Section 7.B and 7.D.
- Principal agrees to jointly, individually and severally become a surety and guarantor for the payment of all amounts Franchisee must pay under the terms of the Agreement, including under any indemnity. The Principal's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other guaranters of Franchisee. The Principal shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so. Franchisor may proceed against Principal and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Principal, without having commenced any action, or having obtained any judgment against Franchisee. Principal agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Principal. Principal consents and agrees that: (1) Principal's liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the Principal; (3) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Principal's Undertaking, which shall be continuing and

irrevocable during the term of the Agreement; and (4) this Principal's Undertaking shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the Principal receiving notice thereof. Principal waives: (1) notice of demand for payment of any indebtedness or on performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; (4) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and (5) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

- 2. The obligations of Principal are independent of the obligations of Franchisee, and a separate action or actions may be brought and prosecuted against Principal, whether or not actions are brought against Franchisee or whether or not Franchisee is joined in any such action.
- 3. This Principal's Undertaking is governed by and interpreted in accordance with the laws of the State of Texas, without regard to its conflicts of law principles. This Principal's Undertaking is enforceable by and against the respective administrators, executors, successors, and assigns of the Principal, and the death of any Principal will not terminate the liability of such Principal or limit the liability of other Principals hereunder.

IN WITNESS WHEREOF, the undersigned execute this Principals' Undertaking effective as of the date(s) set forth below.

### PRINCIPAL(S):

(Signed as an Individual)	(Signed as an Individual)
Name:	Name:
Date:	Date:

# ATTACHMENT D-1 CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered in	nto this _	day of	f	, 20
between N2 Franchising, Inc. ("Franchisor")	and			("Covenantor")
Franchisor has granted to	("Frai	nchisee") the rig	ght to operate	e business pursuan
the terms of a franchise agreement between Franchise	chisor and	Franchisee date	ed	
("Franchise Agreement"). Initially capitalized t	terms used	d, but not define	ed in this A	greement, have the
meanings contained in the Franchise Agreement.				

### **RECITALS**

- A. Franchisor has the right to use and license the use of a system ("**System**") for the establishment and operation of franchised businesses that sell print advertising for publications, sell digital advertising services, facilitate publishing of a print publication, solicit and compile content for a publication, and organize local events, all under the Marks ("**Franchised Business**").
- B. The System is identified by certain Marks and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.
- C. Covenantor desires to become involved with Franchisee in the capacity of an Owner of the Franchised Business.
- D. In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information, to use the Marks, and to obtain valuable knowledge and experience about the Franchised Business, including through training.
- E. Franchisor and Franchisee have agreed on, and Covenantor acknowledges, the importance of restricting the use, access, and dissemination of the Confidential Information and otherwise protecting the goodwill, the Marks and other legitimate business interests of the Franchisor and Covenantor has agreed to enter into a written agreement protecting the Confidential Information and further protecting the legitimate interests of the Franchised Business and protecting the System against unfair competition.
- F. Covenantor acknowledges that receipt of and the right to use the Confidential Information, the Marks, the training and goodwill constitutes independent valuable consideration for the representations, promises, and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

### **AGREEMENT**

### Confidentiality/Non-Disclosure

- 1. Covenantor will, at all times, maintain the confidentiality of the Confidential Information and will use and disclose such Confidential Information only in the course of his or her work with or performance of services for the Franchisee in connection with the operation of the Franchised Business under the Franchise Agreement.
- 2. Covenantor will not at any time make copies of the Confidential Information for any purpose that is not directly related to the Franchised Business.

- 3. Covenantor will return and surrender any material containing any Confidential Information to Franchisee or Franchisor, upon request, or upon termination of Covenantor's business relationship with the Franchised Business.
- 4. Without limiting the foregoing in any way, Covenantor acknowledges that the Franchise Brand Standards Manual is Confidential Information and Franchisor grants Franchisee, and therefore Covenantor, access to the Franchise Brand Standards Manual for limited purposes only and that the Franchise Brand Standards Manual remains the property of Franchisor. Covenantor agrees that no Franchise Brand Standards Manual may be reproduced, in whole or in part, without Franchisor's written consent.

### **Covenants Not to Compete**

- 5. In order to protect the Confidential Information, the Marks, the goodwill of the System and the legitimate business interests of the Franchised Business, Covenantor agrees that, during the term of his or her business relationship with the Franchisee or the Franchised Business, and for a period of two years following the earlier of (A) the termination of Covenantor's business relationship with Franchisee (regardless of the reason for such termination), or (B) the termination, expiration, or transfer of Franchisee's interest in the Franchise Agreement (regardless of the reason for termination, expiration, or transfer), Covenantor will not, without Franchisor's prior written consent or as permitted under valid franchise agreements with Franchisor:
  - (i) own, operate, or manage any Competitive Business; or
- (ii) engage in, provide, or assist others in engaging in or providing Competitive Services which the Covenantor engaged in or obtained Confidential Information about; or
- (iii) perform any activities for or relating to a Competitive Business, the performance of which is reasonably likely to involve the use or disclosure of Confidential Information, which activity is similar to activities Covenantor engaged in during the twelve-month period prior to the termination of Covenantor's business relationship with Franchisee or the termination, expiration, or transfer of Franchisee's interest in the Franchise Agreement.
- 6. Provided, however, that nothing herein shall prohibit Covenantor from owning, solely as an investment, securities of any Person traded on any national securities exchange if neither Franchisee nor any Covenantor controls, or is a member of a group which controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

### 7. Definitions.

- (A) The term "**Restricted Territory**" means the following divisible and severable territorial divisions:
- (i) the territories of and a ten-mile radius around the perimeter of the territory of any publication business owned by Franchisor, its affiliates, or its franchisees (including the territory of the Franchised Business); or
- (ii) only in the event the foregoing is determined by a court of law or arbitrator to be too broad, the territories of any publication business owned by Franchisor, its affiliates, or its franchisees (including the territory of the Franchised Business); or

- (iii) only in the event the foregoing is determined by a court of law or arbitrator to be too broad, the territories of any of Franchiser's franchisees (including the territory of the Franchised Business); or
- (iv) only in the event the foregoing is determined by a court of law or arbitrator to be too broad, a ten-mile radius around the perimeter of the territory of the Franchised Business and the territory of the Franchised Business; or
- (v) only in the event the foregoing is determined by a court of law or arbitrator to be too broad, the territory of the Franchised Business.
- (B) The term "Competitive Business" includes the following divisible and severable business lines or services ("Competitive Services") which the Franchisee's Franchised Business of which Covenantor is a part provided (i) for covenants applicable during the term of the Covenantor's business relationship with Franchisee or the Franchised Business, at any time during that relationship and (ii) for covenants applicable after the term of the Covenantor's relationship with Franchisee or the Franchised Business, at any time within the twelve-month period prior to the termination of the Covenantor's business relationship with the Franchised Business or the termination, expiration, or transfer of the Franchisee's Franchise Agreement:
- (1) selling digital and/or print advertising to businesses for publication in or related to digital or print publications that compete with N2 publications, including STROLL and GREET publications;
- publishing and/or facilitating the publishing of digital or print publications that compete with N2 publications, including STROLL and GREET publications;
- (3) developing relationships among members of Communities within the Territory or members of Industry Groups within the Territory and within ten miles of the Territory for the purpose of selling or marketing digital or print publications that compete with N2 publications, including STROLL and GREET publications;
- (4) organizing, sponsoring, or hosting events for advertisers in the Publication, members of Communities within the Territory, or members of Industry Groups within the Territory and within ten miles of the Territory for the purpose of selling or marketing digital or print publications, or digital or print advertising in digital or print publications, that compete with N2 publications; or
- (5) offering or selling digital marketing and advertising services which are offered or sold by Franchisor or its affiliates or are or were offered and sold by Franchisee.
- (C) The term "Confidential Information" means information and know-how, oral, visual, or written, and documents relating to Franchisor, its affiliate, the Franchised Business, and any publication Furnished by Franchisor or its affiliate, or representatives of Franchisor, to Covenantor. Franchisor's Confidential Information includes, without limitation, all trademarks, trade names, service marks, emblems, and indicia of origin used by Franchisor in connection with the operation of the Franchised Business, and all trade secrets or know-how, including, but not limited to, research, plans, products, services, customer lists, supplier information, advertisers, business plans, marketing data and materials, software, electronic code, forms, processes, methods of operation, strategic information, financial information, manuals, and other business information disclosed to Covenantor by Franchisor or its representatives.

### Miscellaneous

# 8. Covenantor agrees that:

- (A) Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.
- (B) Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement. No term of this Agreement shall be deemed to restrict Covenantor's ability to communicate with government agencies and officials regarding the Franchised Business.
- (C) In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor will be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. The time periods relating to the obligations described in this Agreement will be tolled during any period of noncompliance.
- 9. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor in enforcing this Agreement.
- 10. Any failure by Franchisor to object to or take action with respect to any breach of any provision of this Agreement by Covenantor will not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.
- THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF,

FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

- 12. FRANCHISOR AND COVENANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.
- 13. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.
- 14. Any and all notices required or permitted under this Agreement will be in writing and will be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice will be addressed to:

N2 Franchising, Inc. 2093 Philadelphia Pike, #3202 Claymont, DE 19703 Attention: General Counsel

If directed to Cove	enantor, the notice will be addressed to:	
Attention:		
Facsimile:	<u> </u>	

Any notice will be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

15. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Covenantor hereunder may not be assigned by Covenantor without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

<b>COVENANTOR:</b>
By:
Name:
Title:
Date:

### ATTACHMENT D-2 CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO SOLICIT

This Agreement is made and entered in	nto this	day of	, 20,
between N2 Franchising, Inc. ("Franchisor")	and		("Covenantor").
Franchisor has granted to	("Franch	isee") the right to	o operate business pursuant
the terms of a franchise agreement between Franchise	chisor and Fr	anchisee dated _	
("Franchise Agreement"). Initially capitalized t	terms used, b	out not defined in	this Agreement, have the
meanings contained in the Franchise Agreement.			

#### **RECITALS**

- 1. Franchisor has the right to use and license the use of a system ("**System**") for the establishment and operation of franchised businesses that sell print advertising for publications, sell digital advertising services, facilitate a publishing of a print publication, solicit and compile content for a publication, and organize local events, all under the Marks ("**Franchised Business**").
- 2. The System is identified by certain Marks and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.
- 3. Covenantor desires to become involved with Franchisee in the capacity of an owner, officer, director, partner, member, manager, shareholder, guarantor, employee, or contractor of the Franchised Business.
- 4. In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information, to use the Marks, and to obtain valuable knowledge and experience about the Franchised Business, including through training.
- 5. Franchisor and Franchisee have agreed on, and Covenantor acknowledges, the importance of restricting the use, access, and dissemination of the Confidential Information and otherwise protecting the goodwill, the Marks and other legitimate business interests of the Franchisor and Covenantor has agreed to enter into a written agreement protecting the Confidential Information and further protecting the legitimate interests of the Franchised Business and protecting the System against unfair competition.
- 6. Covenantor acknowledges that receipt of and the right to use the Confidential Information, the Marks, the training and goodwill constitutes independent valuable consideration for the representations, promises, and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

#### **AGREEMENT**

#### **Confidentiality/Non-Disclosure**

1. Covenantor will, at all times, maintain the confidentiality of the Confidential Information and will use and disclose such Confidential Information only in the course of his or her work with or performance of services for the Franchisee in connection with the operation of the Franchised Business under the Franchise Agreement.

- 2. Covenantor will not at any time make copies of the Confidential Information for any purpose that is not directly related to the Franchised Business.
- 3. Covenantor will return and surrender any material containing any Confidential Information to Franchisee or Franchisor, upon request, or upon termination of Covenantor's business relationship with the Franchised Business.
- 4. Without limiting the foregoing in any way, Covenantor acknowledges that the Franchise Brand Standards Manual is Confidential Information and Franchisor grants Franchisee, and therefore Covenantor, access to the Franchise Brand Standards Manual for limited purposes only and that the Franchise Brand Standards Manual remains the property of Franchisor. Covenantor agrees that no Franchise Brand Standards Manual may be reproduced, in whole or in part, without Franchisor's written consent.

### **Covenants Not to Solicit**

- 5. In order to protect the Confidential Information, the Marks, the goodwill of the System and the legitimate business interests of the Franchised Business, Covenantor agrees that, during the term of his or her business relationship with the Franchisee or the Franchised Business, Covenantor will not, without Franchisor's prior written consent or as permitted under valid franchise agreements with Franchisor solicit or attempt to solicit, using any form of oral, written, or electronic communications, Franchisor's or Franchisee's current or prospective business advertisers with whom Covenantor interacted for the purpose of soliciting, offering or accepting goods or services that are competitive with those offered by Franchisee, Franchisor, or Franchisor's affiliate.
- 6. In order to protect the Confidential Information, the Marks, the goodwill of the System and the legitimate business interests of the Franchised Business, Covenantor agrees that, for a period of two years following the earlier of (i) the termination of Covenantor's business relationship with Franchisee (regardless of the reason for such termination), or (ii) the termination, expiration, or transfer of Franchisee's interest in the Franchise Agreement (regardless of the reason for termination, expiration, or transfer), Covenantor will not, without Franchisor's prior written consent or as permitted under valid franchise agreements with Franchisor, solicit or attempt to solicit, using any form of oral, written, or electronic communications, Franchisor's, Franchisor's affiliate, or Franchisee's current or prospective business advertisers with whom Covenantor interacted during the twelve-month period prior to the termination of Covenantor's business relationship or the termination, expiration, or transfer of Franchisee's interest in the Franchise Agreement, for the purpose of soliciting, offering or accepting Competitive Services.

### 7. <u>Definitions</u>.

- (A) The term "Confidential Information" means information and know-how, oral, visual, or written, and documents relating to Franchisor, its affiliate, the Franchised Business, and any publication Furnished by Franchisor or its affiliate, or representatives of Franchisor, to Covenantor. Franchisor's Confidential Information includes, without limitation, all trademarks, trade names, service marks, emblems, and indicia of origin used by Franchisor in connection with the operation of the Franchised Business, and all trade secrets or know-how, including, but not limited to, research, plans, products, services, customer lists, supplier information, advertisers, business plans, marketing data and materials, software, electronic code, forms, processes, methods of operation, strategic information, financial information, manuals, and other business information disclosed to Covenantor by Franchisor or its representatives.
- (B) The term "Competitive Services" means the severable business lines or services which the Franchisee's Franchised Business of which Covenantor is a part provided (i) for covenants applicable during the term of the Covenantor's business relationship with Franchisee or the Franchised Business, at

any time during that relationship and (ii) for covenants applicable after the term of the Covenantor's relationship with Franchisee or the Franchised Business, at any time within the twelve-month period prior to the termination of the Covenantor's business relationship with the Franchised Business or the termination, expiration, or transfer of the Franchisee's Franchise Agreement:

- (1) selling digital and/or print advertising to businesses for publication in or related to digital or print publications that compete with N2 publications, including STROLL and GREET publications;
- (2) publishing and/or facilitating the publishing of digital or print publications that compete with N2 publications, including STROLL and GREET publications;
- (3) developing relationships among members of Communities within the Territory or members of Industry Groups within the Territory and within ten miles of the Territory for the purpose of selling or marketing digital or print publications that compete with N2 publications, including STROLL and GREET publications;
- (4) organizing, sponsoring, or hosting events for advertisers in the Publication, members of Communities within the Territory, or members of Industry Groups within the Territory and within ten miles of the Territory for the purpose of selling or marketing digital or print publications, or digital or print advertising in digital or print publications, that compete with N2 publications; or
- (5) offering or selling digital marketing and advertising services which are offered or sold by Franchisor or its affiliates or are or were offered and sold by Franchisee.

### **Miscellaneous**

### 8. Covenantor agrees that:

- (A) Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.
- (B) Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement. No term of this Agreement shall be deemed to restrict Covenantor's ability to communicate with government agencies and officials regarding the Franchised Business.
- (C) In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor will be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. The time periods relating to the obligations described in this Agreement will be tolled during any period of noncompliance.

- 9. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor in enforcing this Agreement.
- 10. Any failure by Franchisor to object to or take action with respect to any breach of any provision of this Agreement by Covenantor will not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.
- 11. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO TEXAS CONFLICT OF LAW PRINCIPLES. COVENANTOR HEREBY **IRREVOCABLY SUBMITS** HIMSELF JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL OUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.
- 12. FRANCHISOR AND COVENANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.
- 13. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.
- 14. Any and all notices required or permitted under this Agreement will be in writing and will be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice will be addressed to:

N2 Franchising, Inc. 2093 Philadelphia Pike, #3202 Claymont, DE 19703 Attention: General Counsel

If directed to Cov	enantor, the notice will be add	dressed to:
Attention:		
Facsimile:		

Any notice will be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

15. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Covenantor hereunder may not be assigned by Covenantor without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR: N2 Franchising, Inc.	COVENANTOR:
By:	By:
Duane Hixon, CEO	Name:
	Title:
Date:	Date:

# ATTACHMENT E STATEMENT OF OWNERSHIP INTERESTS AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Franchisee and a description of the nature of their interest (the Owners):

Name	Ownership Interest in Franchisee	Nature of Interest

2. Undertaking:	The following is a list of	of all of Franchisee's Principa	als who are signing the Principals'	
3. day-to-day ope	C	Principal or Operations Manage of the Franchised Business:	ger is the person responsible for the	

# ATTACHMENT F ELECTRONIC FUNDS TRANSFER AUTHORIZATION

I hereby authorize N2 Franchising, Inc. ("Company") to initiate credit and, if necessary, debit entries, and adjustments for any credit entries in error to the account indicated below, at the depository financial institution (Bank Name) named below, and to credit or debit the same from such account. I acknowledge that this authorization will remain in effect until I cancel or supersede the account information in writing and that the origination of ACH transactions to my account must comply with the provisions of U.S. law. This authorization will remain in effect until Company has received advanced written notice of cancellation from me in such time and in such manner as to afford Company a reasonable opportunity to act on it, and in no event will not be less than 30 days.

Bank Name:			Branch:	_
City:			State: Zip:	_
Account Numb	er:		Routing Number:	
Select one:	☐ Checking	☐ Savings		
Name on Account (E	ntity or Individual): _			
Signature		Date	Print Name	
			Title if Signing for Entity	

### ATTACHMENT G LISTING ASSIGNMENT

This Assignment Agreement ("Assignment") is made, and entered into, between N2 FRANCHISING, INC. ("Franchisor") and the undersigned Franchisee ("Franchisee").

- A. Franchisor and Franchisee have entered into a Franchise Agreement dated \_\_\_\_\_ ("Franchise Agreement"), pursuant to which Franchisee was granted the right to operate a STROLL or GREET franchised business ("Franchised Business"); and
- B. It is the desire of and in the best interests of Franchisor and the system for operations that Franchisor has developed that in the event the Franchise Agreement terminates or expires, the telephone numbers, telephone directory listings, email addresses, and Online Presences used by Franchisee in connection with the operation of the Franchised Business are assigned to Franchisor.

NOW THEREFORE, in consideration of the foregoing and Franchisor agreeing to enter into the Franchise Agreement, Franchisor and Franchisee agree as follows:

- 1. Franchisee hereby agrees to assign to Franchisor: (i) those certain telephone numbers and regular, classified or other telephone directory listings used by Franchisee in connection with operating the Franchised Business, including personal cellphone numbers, (ii) all email addresses that use the Marks or that are used by Franchisee in connection with the operation of the Franchised Business, (iii) any Online Presence (as that term is defined in the Franchise Agreement) which uses the Marks, which Franchisee uses in connection with the operation of the Franchised Business, or which Franchisee has been permitted by Franchisor to create, and (iv) all rights, title, and interest in the content of any Online Presence, whether now-existing or adopted by Franchisee in the future (collectively the "Listings").
- 2. This Assignment is for collateral purposes only and, except as specified herein, Franchisor will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee's use of the Listings unless and until Franchisor notifies the telephone company, listing agencies, internet service providers, or other parties that provide the Listings (collectively, the "Providers") to effectuate the assignment pursuant to the terms hereof.
- 3. Upon termination or expiration of the Franchise Agreement, Franchisor will have the right and is hereby empowered to effectuate the assignment of the Listings to itself or to any third party it designates. In the event Franchisor exercises its assignment rights Franchisee will have no further right, title or interest in the Listings; provided, however, Franchisee will pay all amounts owed in connection with the Listings, including all sums owed to Franchisor, Franchisor's affiliates, or Franchisor's approved suppliers under existing contracts for the Listings and immediately, at the Franchisor's request, (i) take any other action as may be necessary to transfer the Listings to the Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect, cancel, delete, remove, or discontinue the Listings; (iv) relist any Listing in a different location or with a new provider, whether published or online; (v) modify the Listing and any content in the Listing; (vi) provide all login or other access credentials to the Listings; and/or (vii) cooperate with Franchisor or its designated agent in undertaking any or all of the foregoing.
- 4. Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers,

including full power of substitution and execution or completion of any documents required or requested by any Provider to transfer or modify such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration or termination of Franchisee's rights under the Franchise Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

- 5. The parties agree that the Providers may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings upon such termination or expiration of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon a Providers' receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Providers require that the parties execute the Providers' assignment forms or other documentation at the time of termination expiration of the Franchise Agreement, Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.
- 6. The validity, construction and performance of this Assignment is governed by the laws of Texas. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Assignment. All Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

FRANCHISOR:	FRANCHISEE:
N2 Franchising, Inc.	[Insert name of Franchisee entity here]
By:	By:
Duane Hixon, CEO	Name:
Date:	Title:
	Date:

## STATE-SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 *et seq.*, and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- 1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, the law will control.
- 2. The 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.*).
- 3. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- 4. The Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- 5. The Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.
- 6. The Agreement requires binding arbitration. The arbitration will occur in the city in which Franchisor maintains its principal business office at the time of the arbitration with the costs being borne by initially be paid equally by the two sides to the arbitration. The arbitrator must award to the prevailing party the reasonable costs and fees, including attorneys' fees, incurred in the arbitration. 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 the Agreement restricting venue to a forum outside the State of California.
- 7. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

<b>FRANCHISOR:</b> N2 Franchising, Inc.	FRANCHISEE:	
a Delaware corporation		
By:	By:	
Name:		
Title:	Title:	
Date:	Date:	

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF HAWAII

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1–482E-12 applies, the terms following terms apply:

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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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, 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, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

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

FRANCHISOR:	FRANCHISEE:	
N2 Franchising, Inc.		
a Delaware corporation		
By:	By:	
Name:	Name:	
Title:	Title:	
Date:	Date:	

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"): Illinois law governs the Franchise Agreement. In conformance with section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois. 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. In conformance with section 41 of the Illinois Franchise Disclosure Act, 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. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in 5. 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. IN WITNESS WHEREOF, Franchisee, on behalf of itself and its owners, execute this Amendment. This Amendment is effective on the date Franchisor signs below. FRANCHISOR: FRANCHISEE: N2 Franchising, Inc. a Delaware corporation Name:\_\_\_\_ Name: \_\_\_\_\_

Date:

Title:\_\_\_\_\_\_
Date:

# AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF INDIANA

	"Franchisor") of even date herewith ("Agreement"), is g language, which will be considered an integral part of the
acknowledgment signed or agreed to by a franch relationship shall have the effect of (i) waivi including fraud in the inducement, or (ii) discla-	dded to the Agreement: No statement, questionnaire, or issee in connection with the commencement of the franchise ng any claims under any applicable state franchise law, aiming reliance on any statement made by any franchisor, of the franchisor. This provision supersedes any other term he franchise.
	nent will be effective only to the extent that the jurisdictional provision are met independent of this Amendment. This jurisdictional requirements are not met.
IN WITNESS WHEREOF, Franchisee, This Amendment is effective on the date Franchise	on behalf of itself and its owners, execute this Amendment. nisor signs below.
FRANCHISOR: N2 Franchising, Inc. a Delaware corporation	FRANCHISEE:
By:	By:
Name:	Name:
Title:	Title:

Date:\_\_\_\_\_

Date:\_\_\_\_\_

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 *et seq.* (2015 Repl. Vol.) ("Law"). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:
  - a. The general release required as a condition of renewal, sale, assignment/transfer, refund of the initial fee, and/or a reduction in the size of the Territory will not apply to any liability under the Law.
  - b. Any acknowledgments or representations of Franchisee made in the Agreement which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Law are not intended to, nor will they, act as a release, estoppel, or waiver of any liability incurred under the Law.
  - c. A Franchisee may bring a lawsuit in Maryland for claims arising under the Law to the extent required by the Law, unless preempted by the Federal Arbitration Act.
  - d. The limitation on the period of time when mediation and/or arbitration claims must be brought will not act to reduce the three-year statute of limitations afforded Franchisee for bringing a claim arising under the Law. Any claims arising under the Law must be brought within three years after the grant of the franchise.
  - 2. Section 3.A. of the Agreement is hereby supplemented with the following:

Even though Franchisor has waived payment of the initial franchise fee, the Maryland Securities Division has required Franchisor to defer Franchisee's obligation to pay the initial franchise fee until Franchisor has performed its pre-opening obligations and Franchisee begins operating the Franchised Business. Notwithstanding the foregoing, Franchisor's waiver of the initial franchise fee remains in full force and effect.

3. During the term of the Agreement, the following fees shall not be increased by Franchisor by an amount to exceed twenty-five percent (25%) of the amount of the fee that was disclosed to Franchisee in Franchisor's Franchise Disclosure Document: Extended Reach Fee, Extra Copy Orders Fee, Design Revision Fee, Email Address Fee, AD Services Fees, Lead Generation Fees, and Late Commission Fee. Additionally, the maximum event revenue royalty will be the greater of Two Hundred Dollars (\$200) per event or five percent (5%) of the gross revenues from an event. The maximum event credit card fee will be five percent (5%) of the amounts paid to the Franchisee by credit card. The additional training fee will not exceed One Thousand Dollars (\$1,000) per day, plus travel-related expenses Franchisee incurs. The maximum software fee will be Two Hundred and Fifty Dollars (\$250) per month.

- 4. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 5. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

FRANCHISOR:	FRANCHISEE:
N2 Franchising, Inc.	
a Delaware corporation	
By:	By:
Name:	
Title:	Title:
Date:	Date:

# AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF MICHIGAN

The N2 Franchising, Inc. Franchise Agreement bet "you," or "your") and N2 Franchising, Inc. ("Franchereby amended by the addition of the following lang Agreement ("Amendment"):	nchisor") of even date herewith ("Agreement"), is
1. The following statement is added to acknowledgment signed or agreed to by a franchisee in relationship shall have the effect of (i) waiving an including fraud in the inducement, or (ii) disclaiming franchise seller, or other person acting on behalf of the of any document executed in connection with the frame	y claims under any applicable state franchise law, g reliance on any statement made by any franchisor, franchisor. This provision supersedes any other term
2. Each provision of this Amendment wirequirements of Michigan law applicable to the prov Amendment will have no force or effect if such jurisd	
IN WITNESS WHEREOF, Franchisee, on bel This Amendment is effective on the date Franchisor s	half of itself and its owners, execute this Amendment. igns below.
FRANCHISOR: N2 Franchising, Inc. a Delaware corporation	FRANCHISEE:
By:	By:
Name:Title:	Name: Title:

Date:\_\_\_\_\_

Date:\_\_\_\_\_

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_\_("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with the Minnesota Franchise Act, Minn. Stat. Section 80C.01 *et seq.*, and the rules and regulations promulgated thereunder (collectively, "**Franchise Act**"). To the extent that the Agreement/and or franchise disclosure document contains provisions that are inconsistent with the following, such provisions are hereby amended:
- a. The Minnesota Department of Commerce requires that franchisors indemnify Minnesota franchisees' against liability to third parties resulting from claims by third parties that the franchisees' use of the franchisor's proprietary marks infringes trademark rights of the third party.
- b. Minn. Stat. Sec. 80C.14, Subds. 3 and 4 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement will be superseded by the Act's requirements and will have no force or effect.
- c. If Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation, or action that would violate the Franchise Act, such release will exclude claims arising under the Franchise Act, and such acknowledgments will be void with respect to claims under the Franchise Act.
- d. Any provision that requires Franchisee to consent to a claims period that differs from the applicable statute of limitations period under Minn. Stat § 80C.17, Subd. 5. may not be enforceable under Minnesota law.
- 2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including your rights to any procedure, forum, or remedies provided for in such statute.
- 3. To the extent required by Minnesota law, the Agreement/and or franchise disclosure document is hereby amended to delete all references to liquidated damages in violation of Minnesota law; provided, that no such deletion will excuse Franchisee from liability for actual or other damages, and the formula for liquidated damages in the Agreement/and or franchise disclosure document will be admissible as evidence of actual damages.
- 4. To the extent required by Minnesota law, the Agreement/and or franchise disclosure document is amended to delete all references to a waiver of jury trial.
- 5. All sections of the Agreement/and or franchise disclosure document referencing Franchisor's <u>right to obtain</u> injunctive relief are hereby amended to refer to Franchisor's <u>right to seek to obtain</u> injunctive relief.

- 6. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 7. Each provision of this Agreement will be effective only to the extent that the jurisdictional requirements of the Franchise Act or other Minnesota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

<b>FRANCHISOR:</b> N2 Franchising, Inc.	FRANCHISEE:
a Delaware corporation	
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK

The N2 Franchising, Inc. Franchise Agreement between ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. If Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation, or action that would violate the General Business Law, regulation, rule, or order under New York law, such release will exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments will be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied
- 2. If the Agreement requires that it be governed by the law of a state, other than the state of New York, the choice of law provision will not be considered to waive any rights conferred upon Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.
- 3. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 4. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

FRANCHISEE:
By:
Name:
Title:
Date:

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_\_("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. The State of North Dakota has determined that the following types of provisions are deemed to be contrary to North Dakota Law:
  - a. A provision requiring a North Dakota franchisee to sign a general release upon renewal of the Franchise Agreement;
  - b. A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;
  - c. A provision requiring a North Dakota franchisee to consent to the jurisdiction of courts outside the state of North Dakota;
  - d. A provision restricting the time in which a North Dakota franchisee may make a claim to less than the applicable North Dakota statute of limitations;
  - e. A provision calling for the waiver by a North Dakota franchisee of the right to trial by jury;
  - f. A provision requiring a North Dakota franchisee to consent to a waiver of exemplary and punitive damages.

Any and all provisions in the Franchise Agreement that are in violation of <u>Section 1.(a-f)</u> above are hereby deleted.

- 2. The following is hereby added to <u>Section 3.A.</u> of the Agreement: The North Dakota Securities Department has required that Franchisor defer Franchisee's obligation to pay initial fees under the Agreement until Franchisee's has commenced operating its Franchised Business and Franchisor has met its initial obligations. Therefore, notwithstanding anything to the contrary in <u>Section 3.A.</u> of the Agreement, during the period that such fee deferral requirement is imposed on Franchisor ("**Fee Deferral Period**"), Franchisee will not be required to pay the initial fees under the Franchise Agreement until Franchisee's begins operating its Franchised Business and Franchisor has met its initial obligations. Immediately upon notice from Franchisor that the Fee Deferral Period has ended, Franchisee must pay the full, initial franchise fee and all other initial fees and amounts as provided in the Franchise Agreement.
- 3. The following is hereby added to <u>Section 7.</u> of the Agreement: North Dakota Century Code Section 9-08-06 subjects covenants not to compete to the provisions of that statute. The covenants not to compete contained within the Franchise Agreement are subject to Section 9-08-06 and may be unenforceable under North Dakota law.
  - 4. In <u>Section 14.A.</u>, "Texas" is hereby replaced with "North Dakota."

- 5. The following is hereby added to <u>Section 14.</u> of the Agreement: The site of any mediation or arbitration of the parties' disputes will be at a site mutually agreeable to all parties. If all parties cannot agree upon a location, the arbitration or mediation will be in Fargo, North Dakota.
- 6. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 7. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment will prevail. Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this Amendment.

<b>FRANCHISOR:</b> N2 Franchising, Inc.	FRANCHISEE:
a Delaware corporation	
By:	By:
Name:	
Title:	TC: 41
Date:	Date:

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF RHODE ISLAND

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. The following are hereby added to <u>Section 14.D.(1)</u>. of the Agreement: Rhode Island Law provides that a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Law.
- 2. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 3. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment will prevail. Each provision of this Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Law are met independently without reference to this Amendment.

FRANCHISOR: N2 Franchising, Inc.	FRANCHISEE:
a Delaware corporation	
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF SOUTH DAKOTA

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. <u>Section 3.A.</u> of the Agreement is hereby supplemented with the following: Even though Franchisor has waived payment of the initial franchise fee, the South Dakota Department of Labor Relations Division of Securities has required Franchisor to defer Franchisee's obligation to pay the initial franchise fee until such time as the Franchised Business is operational. Notwithstanding the foregoing, Franchisor's waiver of the initial franchise fee remains in full force and effect.
- 2. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of South Dakota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

<b>FRANCHISOR:</b> N2 Franchising, Inc.	FRANCHISEE:
a Delaware corporation	
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

# AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF VIRGINIA

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. <u>Section 3.A.</u> of the Agreement is hereby supplemented with the following: Even though Franchisor has waived payment of the initial franchise fee, the Virginia State Corporation Commission's Division of Securities and Retail Franchising has required Franchisor to defer Franchisee's obligation to pay the initial franchise fee and other initial payments until Franchisor has performed its pre-opening obligations under the franchise agreement. Notwithstanding the foregoing, Franchisor's waiver of the initial franchise fee remains in full force and effect.
- 2. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of Virginia law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

<b>FRANCHISOR:</b> N2 Franchising, Inc.	FRANCHISEE:	
a Delaware corporation		
By:	By:	
Name:	Name:	
Title:	Title:	
Date:	Date:	

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF WASHINGTON

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"):

- 1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1994) ("Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:
  - a. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
  - b. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
  - c. 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.
  - d. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
  - e. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
  - f. 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.

- g. 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.
- h. The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- i. During the term of the Agreement, the following fees shall not be increased by Franchisor by an amount to exceed twenty-five percent (25%) of the amount of the fee that was disclosed to Franchisee in Franchisor's Franchise Disclosure Document: Extended Reach Fee, Extra Copy Orders Fee, Design Revision Fee, Email Address Fee, AD Services Fees, Lead Generation Fees, and Late Commission Fee. Additionally, the maximum event revenue royalty will be the greater of Two Hundred Dollars (\$200) per event or five percent (5%) of the gross revenues from an event. The maximum event credit card fee will be five percent (5%) of the amounts paid to the Franchisee by credit card. The additional training fee will not exceed One Thousand Dollars (\$1,000) per day, plus travel-related expenses Franchisee incurs. The maximum software fee will be Two Hundred and Fifty Dollars (\$250) per month.

Dated this day of		20
FRANCHI	SOR	FRANCHISEE

## AMENDMENT TO N2 FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF WISCONSIN

The N2 Franchising, Inc. Franchise Agreement between \_\_\_\_\_\_ ("Franchisee," "you," or "your") and N2 Franchising, Inc. ("Franchisor") of even date herewith ("Agreement"), is hereby amended by the addition of the following language, which will be considered an integral part of the Agreement ("Amendment"): The following statement is added to the Agreement: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of Wisconsin law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met. IN WITNESS WHEREOF, Franchisee, on behalf of itself and its owners, execute this Amendment. This Amendment is effective on the date Franchisor signs below. **FRANCHISOR: FRANCHISEE:** N2 Franchising, Inc. a Delaware corporation By: \_\_\_\_\_\_\_Name: \_\_\_\_\_\_ By:\_\_\_\_\_ Name: Title: Title:

Date:

### **EXHIBIT C** LIST OF FRANCHISED OUTLETS **AS OF JUNE 30, 2024**

### Stroll

Name	Address	City	State	Zip	Phone
Andrea Rominger	1100 31st Street South	Birmingham	AL	35205	205-249-6426
Jennifer Plaia	315 Greystone Glen Circle	Birmingham	AL	35242	205-566-2669
Shelby Valentine Brown	2715 Acton Road	Birmingham	AL	35243	256-599-0254
Paul Herschel Hancock	63 Summerfield Ct.	Deatsville	AL	36022	334-398-4530
Paul Herschel Hancock	63 Summerfield Ct.	Deatsville	AL	36022	334-398-4530
Paul Herschel Hancock	63 Summerfield Ct.	Deatsville	AL	36022	334-398-4530
Sherry Bearden Watkins <sup>1</sup>	51 Summerlyn Way SE	Gurley	AL	35748	513-827-4613
Sherry Bearden Watkins <sup>2</sup>	51 Summerlyn Way SE	Gurley	AL	35748	513-827-4613
Stephanie R. Strong	110 Coriander Lane	Harvest	AL	35749	256-874-8237
Kathryn Brockman	2752 Blackridge Lane	Hoover	AL	35244	314-359-5576
Lisa Smith-McClellan	103 Spenryn Drive	Madison	AL	35758	256-227-8685
Alexandria Twigg	4410 Revere Way	North Port	AL	35475	941-320-0548
Pamela Jill Rogers	7506 Peach Blossom Ave.	Benton	AR	72019	501-779-1516
Heather Crosser	3108 SW Tunica Ave	Bentonville	AR	72712	970-632-4408
Amiee Lanning Mills	712 Arnold Drive	Carlisle	AR	72024	501-765-3327
Mary Terese Metcalf	111 Paradise Point	Hot Springs	AR	71913	813-340-7013
Christina Marie Snell	8605 S 218th Ave	Buckeye	AZ	85326	480-255-8958
Stephen Vincent Petruzzella	2511 W. Queen Creek RD. #379	Chandler	AZ	85248	602-315-7888
Matthew Martellotto Dallas	1201 N Jamaica Way	Gilbert	AZ	85234	480-442-6505
Matthew Martellotto Dallas	1201 N Jamaica Way	Gilbert	AZ	85234	480-442-6505
Matthew Martellotto Dallas	1201 N Jamaica Way	Gilbert	AZ	85234	480-442-6505
Jennifer Jill Petruzzella	4386 N 185th Ave	Goodyear	AZ	85395	480-755-7917
Amanda Leah Holmes	3016 E. Herrera Dr.	Phoenix	AZ	85050	602-326-1317
Kimberly L. Moreno	6418 W. Tether Trail	Phoenix	AZ	85083	602-526-0372
Sarah M. Ikard	15425 N. Tatum Blvd #153	Phoenix	AZ	85032	602-923-3696
Russell Leon Palmer Jr.	1733 Idylwild Rd	Prescott	AZ	86305	928-830-6411
Britt Weston Bennett	39415 North Tom Morris Road	Scottsdale	AZ	85262	602-448-0090
Britt Weston Bennett	39415 North Tom Morris Road	Scottsdale	AZ	85262	602-448-0090
Cary Evan Frumes	14456 N. 110th Pl.	Scottsdale	AZ	85255	602-291-3637
Kayla Lynn Wagner	7920 East Glenrosa Unit #2	Scottsdale	AZ	85251	505-250-4747
Max Lehman	6940 E. Cochise Rd #1044	Scottsdale	AZ	85253	480-261-2088
Phillip Eugene Johnson	10210 E White Feather Ln	Scottsdale	AZ	85262	818-584-9817
Tracy Wayne Cole	10336 W Kingswood Circle	Sun City	AZ	85321	602-430-3232
Christine A. Libbey	18218 N. Alyssum Dr.	Sun City West	AZ	85375	214-288-5908
Sean Michael Harris	782 W. Mallard Head Pl.	Tucson	AZ	85737	520-730-0878
Ryan Tyson Green	2123 C Street	Bakersfield	CA	93301	661-900-6249
Ryan Tyson Green	2123 C Street	Bakersfield	CA	93301	661-900-6249

 $<sup>^1</sup>$  This franchisee lives in Alabama. The publication is distributed in Ohio.  $^2$  This franchisee lives in Alabama. The publication is distributed in Ohio.

Name	Address	City	State	Zip	Phone
Elis Tang Chong	1 Rocky Point Road	Corona del Mar	CA	92625	858-722-3297
Laurie Beth Horn	3 Cambria Dr.	Corona del Mar	CA	92625	949-706-2822
Joshua Felegy	14241 Goose Street	Eastvale	CA	92880	310-528-1988
Michelle Franzia	20585 Ayers Ave	Escalon	CA	95320	209-531-6506
Gretchen Rachele Thomas	371 Water View Way	Folsom	CA	95630	916-955-9125
Gretchen Rachele Thomas	371 Water View Way	Folsom	CA	95630	916-955-9125
Jessica Joy Reveles	2128 West West Avenue .	Fullerton	CA	92833	213-296-4448
Kati French Mcilroy	4 Sterling Glen	Ladera Ranch	CA	92694	949-294-2625
Sarah Nania Marie Pearson	41229 Lace Circle	Murrieta	CA	92562	714-470-5100
Christine Anne Gallagher	3419 Via Lido #397	Newport Beach	CA	92663	949-521-3401
Robert Bruce Gallagher	3419 Via Lido #397	Newport Beach	CA	92663	714-267-9549
Robert Bruce Gallagher	3419 Via Lido #397	Newport Beach	CA	92663	714-267-9549
Jessica Lynn MacDonald	126 Sequoia Glen Lane	Novato	CA	94947	480-476-1784
Courtney Jane Kimble	766 Cindy Lane	Petaluma	CA	94952	707-337-6907
Roger Manuel Caetano	650 Palomino Dr	Pleasanton	CA	94566	925-575-4819
Roger Manuel Caetano	650 Palomino Dr	Pleasanton	CA	94566	925-575-4819
Joseph Rosales Mendoza	P.O. Box 188	San Marcos	CA	92079	619-246-4663
Lori Abney Fox	2127 Meadowlark Ranch Circle	San Marcos	CA	92078	760-978-5074
Cynthia Schmidt Feinberg	1350 Arroyico Lane	Santa Barbara	CA	93108	805-698-2156
Cindy Latvala-Zerlin	269 Country Club Drive #10	Simi Valley	CA	93065	310-849-7670
John Dean Barrale	606 Alamo Pintado Rd, Suite 3-124	Solvang	CA	93463	310-562-2378
Randall Eric Stager	21151 S. Western Ave., Ste. 159	Torrance	CA	90501	310-245-4803
Randall Eric Stager	21151 S. Western Ave., Ste. 159	Torrance	CA	90501	310-245-4803
Craig Steven Rocklin	24370 Hatteras Street	Woodland Hills	CA	91367	818-606-1411
David Phillip Roentz	379 E Allen St	Castle Rock	СО	80108	720-434-1565
Krista Palmer	3571 Evening Place	Castle Rock	СО	80109	585-415-3992
Rachel Ford	5439 Marshglen Ct.	Colorado Springs	СО	80906	801-390-9892
Adam Brous	3300 W Florida Avenue Unit 94	Denver	СО	80219	908-358-2324
Crystal Seybold	10785 E 28th Place	Denver	СО	80238	720-616-8777
Katherine Elizabeth Haughey	1038 E. 4th Avenue	Denver	СО	80218	303-819-3265
Kevin James Ryan	6811 E Powers Ave	Greenwood Village	СО	80111	720-810-6984
Stephne Hanscom	471 Blue Lake Trail	Lafayette	СО	80026	303-912-6771
Karen Grannan Ryan	11244 W Asbury Ave.	Lakewood	СО	80227	720-951-0991
Kara Lynn Mitchell	7763 Rampart Way	Littleton	СО	80125	407-399-6068
John Sidney Price	229 Spring Street	Morrison	СО	80465	720-483-0335
Anna Cheryl Morin	5904 Lasso Place	Parker	СО	80134	317-443-7999
Amanda Marie Vasquez	7202 East 132nd Avenue	Thornton	СО	80602	719-250-3941
Angelique Hauser Sampson	3080 Laminar Drive	Timnath	СО	80547	970-219-7506
Holly Warren Proctor	2014 West Gore Creek Drive #11	Vail	СО	81657	303-859-3369
Elaine Robertson	6588 Aberdour Cir	Windsor	СО	80550	970-924-0530
Kevin Fitzgerald Hayes	18 Brookfield Drive	Ellington	CT	06029	860-614-5866
Ashley Lee Morris	1880 Columbia Rd NW, Unit 104	Washington	D.C.	20009	757-630-3034
Rita McWilliams <sup>3</sup>	5114 Warren Pl NW	Washington	D.C.	20016	703-587-1324

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<sup>&</sup>lt;sup>3</sup> This franchisee lives in Washington, D.C. The publication is distributed in Maryland.

Name	Address	City	State	Zip	Phone
Sarah Wightman Taylor	3700 Massachusetss Avenue NW #303	Washington	D.C.	20016	240-204-4336
Jennifer Lynne Masiak Yanczak	1004 Timberwyck Road	Wilmington	DE	19810	302-757-1779
Dylan Hunter Lang	333 E Palmetto Park Road, Apt 918	Boca Raton	FL	33432	516-945-7800
Dylan Hunter Lang	333 E Palmetto Park Road, Apt 918	Boca Raton	FL	33432	516-945-7800
Monica Oliver	21380 Bridge View Drive	Boca Raton	FL	33428	917-805-8550
Theodore Fisher	21380 Bridge View Drive	Boca Raton	FL	33428	917-805-8550
Keli Lynn James	10640 Founders Way #303	Bonita Springs	FL	34135	239-888-1885
Katharine Anne Treick	1318 Soaring Blvd	Cantonment	FL	32533	850-982-0786
Sean Michael Seavey	2565 Liberty Park Drive, #6103	Cape Coral	FL	33909	207-214-2299
Brenda Lynn Slavich	1804 Bayshore Way	Clearwater	FL	33670	727-422-9328
Clinton Emory Jones	690 Island Way #806	Clearwater Beach	FL	33767	813-463-6012
Jennifer Marie Atkinson	3027 Anquilla Ave	Clermont	FL	34711	321-297-6872
Ryan Clark Gates	2119 Old Hollow Lane	Clermont	FL	34715	407-744-2815
Edith Louise Dalke	2539 S Peninsula Dr	Daytona Beach	FL	32118	386-212-2721
Kaylie Oppedisano	433 Woodford Dr	Debary	FL	32713	407-687-3224
Paul Oppedisano	433 Woodford Dr	Debary	FL	32713	703-581-5943
Bryan Matthew Berman	6195 Briarwood Terrace	Fort Myers	FL	33192	239-220-6201
Diana Italiano	8689 Banyan Bay Blvd	Fort Myers	FL	33908	239-896-8483
Diane Marie Arends	7402 Lake Breeze Drive Unit 114	Fort Myers	FL	33907	239-247-3111
Shannon Aulick	10530 Amiata Way, #101	Fort Myers	FL	33913	859-620-8558
Krissa Johansen	680 Cornelia Street	Freeport	FL	32439	850-830-7102
Tal Urbach	2049 S. Ocean Dr. Unit 1001	Hallandale Beach	FL	33009	786-830-3344
Amy Lynne Martin	4028 Arbor Lake Drive West	Jacksonville	FL	32225	918-407-5090
Christine Pintar	14135 Crystal Cove Dr	Jacksonville	FL	32224	904-651-1471
Tamara Lynn Slattery	3701 Danforth Dr. West Apt. 1518	Jacksonville	FL	32224	904-626-4822
Philip M. Roseman	6191 Riverwalk Lane, Unit 4	Jupiter	FL	33458	646-789-5750
Bianca Lynn McKinney	6903 Marlyn Drive	Lakeland	FL	33809	863-698-4668
Charlotte M. Southmayd	2191 Georgianna Street	Largo	FL	33774	727-463-0813
Debra B. Pappas	204 Live Oak Lane	Largo	FL	33770	727-437-8681
Melissa Anne Parkhurst	5007 Sagecrest Drive	Lithia	FL	33547	484-769-6298
Gina Marie Ghiglietti-Voss	309 129th Avenue East	Madeira Beach	FL	33708	727-309-3536
Andrea Lauren Aldridge Knight	2151 Thunderbird Trail	Maitland	FL	32751	615-218-1053
Brendan Tyler McPhillips	1401 SW 22nd St, Apt 1002	Miami	FL	33145	786-351-2222
Christine Perrin-Stocco	179 North Shore Drive 179-4	Miami Beach	FL	33141	305-495-6420
Christine Perrin-Stocco	179 North Shore Drive 179-4	Miami Beach	FL	33141	305-495-6420
Mario Angelo Stocco	179 North Shore Drive 179-4	Miami Beach	FL	33141	305-206-6231
Douglas Bernard Haughey	1155 12th St N	Naples	FL	34102	239-961-1561
Gina Russen	4030 Stow Way	Naples	FL	34116	239-595-4462
Stephanie Sholtis Cancellieri	13170 SW 5th Ave	Newberry	FL	32669	646-696-9841
Casey Jerome Fox	16712 Kodi Ln	Odessa	FL	33556	813-597-1318
Linda Anne Cassola	11100 Calluna Drive	Odessa	FL	33556	727-421-7225
Linda Anne Cassola	11100 Calluna Drive	Odessa	FL	33556	727-421-7225
Todd Keith Braun	1174 SW Elm Grove Court	Palm City	FL	34990	609-617-8300
Gina A. Campanella	3111 S. Canal Dr.	Palm Harbor	FL	34684	727-420-3139
John Thomas Downer	259 NW 97th Ave	Plantation	FL	33324	954-610-6768

Name	Address	City	State	Zip	Phone
Barry Richard Bullard	9210 Grand Palm Ct	Riverview	FL	33578	813-622-8507
Corey Flynn	40 Riker Ave.	Santa Rosa Beach	FL	32459	860-248-9760
Corey Flynn	40 Riker Ave.	Santa Rosa Beach	FL	32459	860-248-9760
Corey Flynn	40 Riker Ave.	Santa Rosa Beach	FL	32459	860-248-9760
Krista J. Franchi	66 Crossvine Circle	Santa Rosa Beach	FL	32459	248-921-7920
Kathryn Lawrence Howell	4224 Adelaar Dr	Sarasota	FL	34240	941-993-5965
Sarah Lancaster Massey	3514 Pine Valley Drive	Sarasota	FL	34239	941-374-2525
Sarah Lancaster Massey	3514 Pine Valley Drive	Sarasota	FL	34239	941-374-2525
Martin R. Rojas	376 Lanternback Island Drive	Satellite Beach	FL	32937	321-698-7264
David Lightfoot Permenter	945 Registry Blvd Unit 301	St. Augustine	FL	32092	904-808-5301
Effie Pappas	940 Avery St	St. Augustine	FL	32084	201-850-3277
Neelam Patel Brahmbhatt	78 Oak Knoll Court	St. Augustine	FL	32092	209-751-9727
Shelley Fauerbach	540 Sebastian Square	St. Augustine	FL	32095	973-362-5520
Frederick Amato	134 Rum Runner Way	St. Johns	FL	32259	631-513-0959
Frederick Amato	134 Rum Runner Way	St. Johns	FL	32259	631-513-0959
Mary Nell Walsh	2178 Orange Branch Trail	St. Johns	FL	32259	708-710-0365
Thomas Paul Comerford	2178 Orange Branch Trail	St. Johns	FL	32259	847-648-1970
Lindsey Ann Germann	10980 Oak Street NE, Unit 3305	St. Petersburg	FL	33716	727-339-8916
Lindsey Ann Germann	10980 Oak Street NE, Unit 3305	St. Petersburg	FL	33716	727-339-8916
Lindsey Ann Germann	10980 Oak Street NE, Unit 3305	St. Petersburg	FL	33716	727-339-8916
Patricia Sandra Wertepny	18105 Sweet Jasmine Drive	Tampa	FL	33647	813-955-7599
Rachel Elizabeth Cox	12452 Davie Ct	Venice	FL	34293	240-382-7395
Karen Dockser Walter	10668 Grande Blvd	West Palm Beach	FL	33412	301-526-9901
Kurt Nicholas Peters	499 Evernia Street Apt 738	West Palm Beach	FL	33401	917-620-1588
Douglas J. Miller	14625 Glade Hill Park Way	Winter Garden	FL	34787	407-451-0491
Tina Iva Coffin	324 Ruby Lake Lane	Winter Haven	FL	33884	863-514-7517
Colleen Nilan	1005 Lake Windward Overlook	Alpharetta	GA	30005	404-218-8718
Rashell Weber Scott	155 Pebble Trail	Alpharetta	GA	30009	404-307-9148
Hien Trinh	1670 Glenwood Avenue SE	Atlanta	GA	30316	646-541-6538
Leigh Ann Paugh	5707 Mountain Oak Drive	Braselton	GA	30517	205-381-6659
Leigh Ann Paugh	5707 Mountain Oak Drive	Braselton	GA	30517	205-381-6659
Leigh Ann Paugh	5707 Mountain Oak Drive	Braselton	GA	30517	205-381-6659
Cynthia Davis Carns	4062 Peachtree Rd NE, Unit A-325	Brookhaven	GA	30319	404-550-1881
Heather Marie Lowry	7130 Shady Oak Lane	Cumming	GA	30040	404-904-9596
Thomas William Hanscom	1110 Liberty Bluff Rd.	Greensboro	GA	30642	770-331-4498
Thomas William Hanscom	1110 Liberty Bluff Rd.	Greensboro	GA	30642	770-331-4498
Thomas William Hanscom	1110 Liberty Bluff Rd.	Greensboro	GA	30642	770-331-4498
Latasha Ann Henderson	3814 Crest Dr.	Hephzibah	GA	30815	762-218-0397
Heather B. Kohberger	5182 Heartland Trail	Hoschton	GA	30548	678-245-2725
Charla Ann Lipscomb	9450 Colonnade Trail	Johns Creek	GA	30022	678-756-7521
Chris Murman	4434 Old Club Rd	Macon	GA	31210	478-320-7010
Anne Marie Manning	980 Birmingham Rd. #501-109	Milton	GA	30004	415-845-4530
Lisa Marie Lossie	485 Arcaro Drive	Milton	GA	30004	404-664-8440
Robyn Phillips	116 Tapestry Trace	Peachtree City	GA	30269	678-457-4145
Jeannine Marie Johnson	82 Wysteria Drive	Richmond Hill	GA	31324	508-612-7985

Name	Address	City	State	Zip	Phone
Katherine Kelly Cupp	129 E 55th St	Savannah	GA	31405	847-450-3886
Melissa Strudgeon	142 Trail Creek Lane	Savannah	GA	31405	912-944-9178
Nicole Gross	30 Angel Oaks Drive	Savannah	GA	31410	912-226-8604
Skyler Dawn Campen	12350 Mercy Blvd , Apt #278	Savannah	GA	31419	912-667-4783
Sherry Lee Mongesku	4704 Wills Pl	Woodstock	GA	30188	480-580-4110
Wendell Yoshio Nishiki	95-1066 Keni St.	Mililani	HI	96789	808-561-4394
Shubhangi Garg	3381 Crow Lake Drive	Bettendorf	IA	52722	917-459-0456
Lacy Marie Molony	2602 N Coolwater Dr	Post Falls	ID	83854	509-218-7312
Steven James Hirner	2460 Westchester Ct	Aurora	IL	60506	630-209-0884
Steven James Hirner	2460 Westchester Ct	Aurora	IL	60506	630-209-0884
Natalie Claire Jostes	1107 Jefferson Dr.	Bolingbrook	IL	60490	630-673-7616
Andrew Christopher Smith	2354 County Rd 1100 E	Champaign	IL	61822	217-493-9493
Shelley Rose McCarthy	3706 N. Kenmore Ave. Unit 2	Chicago	IL	60613	630-779-7582
Dolly McCarthy	783 Lee St.	Des Plaines	IL	60016	630-272-7582
Jennifer Elizabeth Abbatacola	238 Schmidt Drive	Hampshire	IL	60140	224-374-6651
Jorie Jackson Schaeffer	91 Open Parkway South	Hawthorn Woods	IL	60047	847-757-2995
Julia Ann Newton	5132 Hawthorn Lane	Lisle	IL	60532	630-862-8258
Joann Heniff	3073 Kentshire Circle	Naperville	IL	60564	708-642-6255
Cheryl Ann Schlumpf	2222 S Daycor Divide	Peoria	IL	61607	309-253-4686
Candice Dawn Ellensohn	4N346 Samuel Clemens Course	St Charles	IL	60175	847-650-0261
Katherine Margaret Elizabeth Vondrak	201 E. Tower Dr.	Tower Lakes	IL	60010	847-361-5210
Jerry Porebski	444 Oak Grove Circle	Wauconda	IL	60084	847-345-6611
Allison Jean Kile	1321 Avery Ave.	Wheaton	IL	60187	312-952-8963
Joseph Matthew Gjata (Joe)	1720 Clydesdale Drive	Wheaton	IL	60189	630-346-0269
Brenton Craig Croxton	12755 Kiawah Drive	Carmel	IN	46033	317-590-8528
Heidi Lin Platusic	14056 Honey Tree Drive	Carmel	IN	46032	317-714-4361
Karli Bruckner Nunez	1950 E Greyhound Pass	Carmel	IN	46033	912-433-3125
Lisa A. Crehan-Jegen	1605 Sand Creek Drive	Chesterton	IN	46304	312-805-0204
Anne Elizabeth Manley	11975 Gray Eagle Drive	Fishers	IN	46037	317-698-8332
James Nicki McGowan	10891 Mossy Rock Drive	Fishers	IN	46038	317-345-7978
James Nicki McGowan	10891 Mossy Rock Drive	Fishers	IN	46038	317-345-7978
James Nicki McGowan	10891 Mossy Rock Drive	Fishers	IN	46038	317-345-7978
Mary Elizabeth L. Hoss	15099 Blue Ribbon Blvd	Fishers	IN	46040	317-430-1542
Deena Jean Nystrom	2000 Dockside Drive	Greenwood	IN	46143	317-513-4981
Jacob Everett Isaacs	4571 Duckhorn Ln.	Lafayette	IN	47909	765-414-3807
Connie L. Vernon <sup>4</sup>	18386 Piers End Dr	Noblesville	IN	46062	317-504-0231
Connie L. Vernon <sup>5</sup>	18386 Piers End Dr	Noblesville	IN	46062	317-504-0231
Julie Ann Stis	564 Covingtree Way	Noblesville	IN	46062	317-420-5794
Erica Mills	6062 Farlin Drive	Whitestown	IN	46075	317-366-3131
Kelli Marie Heppner	17211 State Ave	Basehor	KS	66086	913-626-4421
Kelli Marie Heppner	17211 State Ave	Basehor	KS	66086	913-626-4421
Kimberly A. Lewis	198 South Ciderbluff St	Goddard	KS	67052	316-304-3026

<sup>&</sup>lt;sup>4</sup> This franchisee lives in Indiana. The publication is distributed in Texas. <sup>5</sup> This franchisee lives in Indiana. The publication is distributed in Texas.

Name	Address	City	State	Zip	Phone
Shannon Wilson	20218 W 93rd St	Lenexa	KS	66220	913-709-1948
Ashley Lin Streight	2329 S Fieldcrest St	Wichita	KS	67209	316-253-7900
Tammi Elaine Joseph	3110 N Ridge Rd. #523	Wichita	KS	67205	316-644-7703
Doug Peacock	7405 Cambridge Drive	Crestwood	KY	40014	502-548-9162
Linda Kay Gardner	1183 Stoneman Lane	Independence	KY	41051	859-250-3548
Allison Kate Watson	3368 Tyler Court	Lexington	KY	40509	270-348-6597
Kelsey Smith	3905 McGarry Drive	Lexington	KY	40514	859-552-0944
Marlena Lynn Docter	803 Deercross Ct	Louisville	KY	40245	502-303-2662
Marlena Lynn Docter	803 Deercross Ct	Louisville	KY	40245	502-303-2662
Elizabeth R. Hack	409 Colonel Way	Pewee Valley	KY	40056	502-387-3467
Maria Elena Mears	9524 Horsemint Lane	Prospect	KY	40059	502-472-9673
Maria Elena Mears	9524 Horsemint Lane	Prospect	KY	40059	502-472-9673
Tammy Lynn Moloy	2712 Belknap Beach Dr.	Prospect	KY	40059	502-889-6458
Mary Catherine Redding	14437 Cottingham Ct.	Baton Rouge	LA	70817	225-603-4700
Mary Catherine Redding	14437 Cottingham Ct.	Baton Rouge	LA	70817	225-603-4700
Mary Catherine Redding	14437 Cottingham Ct.	Baton Rouge	LA	70817	225-603-4700
Mary Catherine Redding	14437 Cottingham Ct.	Baton Rouge	LA	70817	225-603-4700
Melisse Lynn Campbell	2240 Eliza Beaumont Ln.	Baton Rouge	LA	70808	225-931-7851
Melisse Lynn Campbell	2240 Eliza Beaumont Ln.	Baton Rouge	LA	70808	225-931-7851
Gayle D. Centanni	70380 Highway 21, #2-267	Covington	LA	70433	985-272-8770
Mark Lawrence Barras	107 E Bayou Shore St	Lafayette	LA	70508	337-277-9114
Mark Lawrence Barras	107 E Bayou Shore St	Lafayette	LA	70508	337-277-9114
Daniel Wainwright	4211 Beau Chene Dr	Lake Charles	LA	70605	337-496-7089
Thomas Michael Theriot	1051 Cypress Creek Loop	Saint Martinville	LA	70582	337-335-8865
Thomas Michael Theriot	1051 Cypress Creek Loop	Saint Martinville	LA	70582	337-335-8865
Dana Lynn Dufrene	1801 Cheshire Court	Slidell	LA	70461	985-288-9916
Annette Gertrud McGloin	62 Freeman St #2	Arlington	MA	02474	617-669-9436
Danielle Marie Harbour	48 Logans Run	Atteboro	MA	02703	781-752-9802
Melissa Schorr	27 Cedar St	Cohasset	MA	02025	781-923-0125
Mariel Margaret Donovan	9 Devonshire Lane	Dennis	MA	02660	774-209-0302
Katriena Pless Devlin	683 Franklin St	Duxbury	MA	02332	203-273-5976
Mary Alice Harrington	72 Union St	Rockland	MA	02370	617-974-0005
Cynthia Celso	6 Robert Rd	Topsfield	MA	01983	978-502-6347
Mark William Walter	54 Beechnut Road	Westwood	MA	02090	781-414-0437
David Youmans Grabau	221 Bowen Court	Annapolis	MD	21401	301-257-3280
Patricia O. Doran <sup>6</sup>	4936 Sentinel Dr #301	Bethesda	MD	20816	301-704-2490
Patricia O. Doran	4936 Sentinel Dr #301	Bethesda	MD	20816	301-704-2490
Caressa Lyn Peterson	1194 Players Circle	Frederick	MD	21701	301-606-8935
Michelle Rankin	5004 Saint Simon Court	Frederick	MD	21703	301-788-7371
Robert Owen Clarke <sup>7</sup>	16 Wildon Ct.	Kingsville	MD	21087	443-552-9919
Robert Owen Clarke	16 Wildon Ct.	Kingsville	MD	21087	443-552-9919
Robert Owen Clarke	16 Wildon Ct.	Kingsville	MD	21087	443-552-9919

<sup>&</sup>lt;sup>6</sup> This franchisee lives in Maryland. The publication is distributed in Washington D.C. <sup>7</sup> This franchisee lives in Maryland. The publication is distributed in Missouri.

Name	Address	City	State	Zip	Phone
Melissa Slizewski Shifflett	5926 Gambrill Circle	White Marsh	MD	21162	443-790-6908
Brian Arthur Norris	451 South Road	Holden	ME	04429	207-852-3337
Christel Lynn Meyer	237 Beaver Street	Brighton	MI	48116	248-701-2667
Janalee A. Grainer	6682 Weston Ct.	Clarkston	MI	48348	248-459-1713
Carolyn Elaine Thompson	44708 Bayview Ave. Apt. 19210	Clinton Township	MI	48038	313-900-7304
Alexis June Hylarides	15051 Decker Ct Apt 103	Grand Haven	MI	49417	616-212-0414
Ed Volovlek	1355 Lenox Rd SE	Grand Rapids	MI	49506	616-502-1089
Jennifer Nicole Eifler	20696 Lancaster St	Harper Woods	MI	48225	248-820-1934
Gunner Lee Soma	425 Ionia Street	Mulliken	MI	48861	517-580-9809
Gabriel Szakal	28214 Sutherland St	Southfield	MI	48076	313-969-1564
Jessica Lauren Parsons	6401 Cloverton Drive	Waterford	MI	48329	248-520-2402
Chad Wesley Jeske	13970 Dublin Rd	Apple Valley	MN	55124	651-442-8466
Steven A. Engelson	5228 Meadow Ridge	Edina	MN	55439	952-255-9855
Natasha Sirena Greiling	2844 Kenwood Isles Dr	Minneapolis	MN	55408	612-275-3408
Richard Allen Ferrell, Jr.	5371 385th Street, Apt 307	North Branch	MN	55056	612-503-6350
Matthew Thomas Westlund	1109 Providence Lane	Sartell	MN	56377	320-761-2243
Matthew Thomas Westlund	1109 Providence Lane	Sartell	MN	56377	320-761-2243
William Michael Tuttle	1615 Highland Valley Circle	Chesterfield	MO	63005	636-579-0698
Janet Ann Barton	6213 Shamrock Lane	Country Club	MO	64505	816-294-6226
Corrina Eisenhart <sup>8</sup>	8700 Tennessee Ave.	Raytown	MO	64138	417-763-0010
Tanner James Hawkins	33141 US 160	Rueter	MO	65744	636-358-7454
Tara Peterson	36 Misty Ridge Ct	St. Charles	MO	63304	314-954-8272
Nicholas Michael Najjar	6413 Lloyd Ave	St. Louis	MO	63139	573-673-1440
Margaret Taylor Cossar Morgan	652 Lake Cavalier Road	Madison	MS	39110	601-946-1026
Margaret Taylor Cossar Morgan	652 Lake Cavalier Road	Madison	MS	39110	601-946-1026
Margaret Taylor Cossar Morgan	652 Lake Cavalier Road	Madison	MS	39110	601-946-1026
Margaret Taylor Cossar Morgan	652 Lake Cavalier Road	Madison	MS	39110	601-946-1026
Suzanne Elizabeth Chafin	145 Cedar Woods Cove	Madison	MS	39110	601-988-4101
Anna Nicole Wood	16315 Touchette Lane	Frenchtown	MT	59834	352-455-5952
Rayven Grace Hamby	8108 Jenks Rd.	Apex	NC	27523	706-587-8094
Reed Frederick Bilbray	1308 Heathbrook Circle	Asheville	NC	28803	972-567-5770
Andrea Dawn Workman-Kroger	13036 Kornegy Dr	Charlotte	NC	28277	704-497-7087
Chelsea Whitaker Baskin	3181 Middlebrook Drive	Clemmons	NC	27012	336-926-5335
Zane Ashley Odom	220 Pine Rd	Davidson	NC	28036	704-641-8288
Zane Ashley Odom	220 Pine Rd	Davidson	NC	28036	704-641-8288
Zane Ashley Odom	220 Pine Rd	Davidson	NC	28036	704-641-8288
Zane Ashley Odom	220 Pine Rd	Davidson	NC	28036	704-641-8288
Zane Ashley Odom	220 Pine Rd	Davidson	NC	28036	704-641-8288
Zane Ashley Odom	220 Pine Rd	Davidson	NC	28036	704-641-8288
Christine Eyster Roshto	1901 Rosevilla Ln	Greensboro	NC	27455	336-918-7200
Lara S. Heberle	5315 Coveview Ct	Greensboro	NC	27407	336-987-5272
Joshua Daniel Smith	55 Viona Lane	Hampstead	NC	28443	631-806-5795
Betsey Zafra	283 Fox Cove Road	Hendersonville	NC	28792	305-338-9803

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 $<sup>^{\</sup>rm 8}$  This franchisee lives in Missouri. The publication is distributed in Kansas.

Name	Address	City	State	Zip	Phone
Jessica Renee Ayala	215 Blue Ridge St.	Hendersonville	NC	28792	979-201-6129
Jennifer Dawn Hewitt	1047 12th Ave NW	Hickory	NC	28601	828-781-6517
Shannon Kaley Earl	533 West Parkway Ave.	High Point	NC	27262	336-686-6136
Tara Kathleen Moore	1715 Tredegar Road	Kernersville	NC	27284	336-558-7167
Richard Jamaal Walters	117 Lee Dr.	Leland	NC	28451	910-471-5121
Stephanie Wilson Hearn	388 Mill Stream Ln	Lexington	NC	27292	336-250-3044
Emily Jones <sup>9</sup>	711 Fairway Drive E	Sunset Beach	NC	28468	484-602-3234
Kelly Dawn Hanlon	367 Prospect Point Dr.	Tryon	NC	28782	614-657-2788
Alexzandra Maria Lyon	255 Mangia Drive	Wake Forest	NC	27587	919-714-3238
Gillian Kay Utesch	1720 Talbot Ridge Street	Wake Forest	NC	27587	919-980-2574
Ashley Varrecchia Grimm	9114 Sunday Silence Drive	Waxhaw	NC	28173	407-435-8611
Steven Lewis West	126 Navaho Trail	Wilmington	NC	28409	910-352-4614
Amy Kay Killham	730 W. Jennifer Drive	Lincoln	NE	68521	402-450-1959
Kristin Sue Holmes	8211 S. 16 Street	Lincoln	NE	68512	402-617-6350
Randy B. Bamberger	4 Blevens Dr	Bow	NH	03304	603-493-9147
Dennis Jankowski	170 George Russell Way	Clifton	NJ	07013	201-446-6564
Zaida Khaze Harry	2001 Hudson Terrace Apt. 406	Fort Lee	NJ	07024	917-751-8358
Ronald M. Schrader	108 Worthington Ave.	Spring Lake	NJ	07762	732-859-1781
Aaron David Klein	940 Garrison Ave	Teaneck	NJ	07666	201-638-2218
Aaron David Klein	940 Garrison Ave	Teaneck	NJ	07666	201-638-2218
Aaron David Klein	940 Garrison Ave	Teaneck	NJ	07666	201-638-2218
Melissa Ann Frei	3832 Piermont Dr NE	Albuquerque	NM	87111	505-610-7917
Jani Lynn Klatt	PO Box 247	Cedar Crest	NM	87008	505-280-3574
Tamera L. Ahner	331 West Las Cruces Avenue	Las Cruces	NM	88005	575-654-5622
Tamera L. Ahner	331 West Las Cruces Avenue	Las Cruces	NM	88005	575-654-5622
Gary B. Evjen	1177 Dutch Hollow Trail	Reno	NV	89523	775-440-3793
Karen Anderson Evjen	1177 Dutch Hollow Trail	Reno	NV	89523	775-440-3791
Laurie-Jo Pettyjohn	7630 S. Claridge Pointe Pkwy.	Reno	NV	89506	775-544-3551
Patrick Anthony Gabamonte	106 Lydia Lane	Cheektowaga	NY	14225	716-901-3422
Carolyn Kelly Walkin	27 Turkey Lane	Cold Spring Harbor	NY	11724	347-232-5537
Tammy Michelle Coyle	71 Bellecrest Ave	East Northport	NY	11731	631-833-1378
Kathryn Jean Alchermes Silk	10 Leonard St	Glen Cove	NY	11542	516-318-3242
Stacy Ciaravella	1 Shady Lane	Irvington	NY	10533	917-613-8513
David John Schaub	35 Robert Dr.	Lancaster	NY	14086	716-512-0184
Pamela Pace	204 Pleasant View Dr	Lancaster	NY	14086	716-863-9035
Brynn Angelina Mannino	4 Broad Path West	Lloyd Harbor	NY	11743	646-477-2072
Aline Monnerat Campello Moses	46 North Street	Marcellus	NY	13108	315-730-3535
Aline Monnerat Campello Moses	46 North Street	Marcellus	NY	13108	315-730-3535
Dina Voorhees	25 Birmingham Drive	Northport	NY	11768	917-582-5522
Jeanne Petti	12 Fox Hollow Lane	Old Westbury	NY	11568	516-456-9507
Alberto John Cassola	53 East Main Street	Oyster Bay	NY	11771	516-815-7670
Alberto John Cassola	53 East Main Street	Oyster Bay	NY	11771	516-815-7670
Coleen Farraday	22 High Street	Syosset	NY	11791	631-258-8500

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<sup>&</sup>lt;sup>9</sup> This franchisee lives in North Carolina. The publication is distributed in South Carolina.

Name	Address	City	State	Zip	Phone
Amanda Catherine Pellino	34 Thompson St	Valley Stream	NY	11580	516-265-9218
Michele Ann Rowan	10 Brandywine Dr	Williamsville	NY	14221	716-392-7411
Michael Cozart	67 Marko Ln	Brooklyn Heights	ОН	44131	440-315-9082
Rebecca J. Bruce	6321 Pine Cone Drive	Dayton	ОН	45449	937-239-0425
Rhonda Lynn Meeker	7500 Roselake Drive	Dayton	ОН	45414	937-367-7757
John Edward Zimmerman	7272 Macbeth Dr	Dublin	ОН	43016	614-207-3589
John Edward Zimmerman	7272 Macbeth Dr	Dublin	ОН	43016	614-207-3589
John Edward Zimmerman	7272 Macbeth Dr	Dublin	ОН	43016	614-207-3589
Alyssa Diane Reik	549 Vesely Court	Eastlake	ОН	44095	440-725-6089
Benjamin James McGugin	805 Concord Street	Massillon	ОН	44646	330-685-1461
Todd Johnathon Lewis	4733 Mackensey Circle	Medina	ОН	44256	419-656-8466
LeeAnne Dauwalder Heath	4356 US 62	Millersburg	ОН	44654	330-231-2636
Cindy Ann Jakupcin	247 Ridge Side Drive	Powell	ОН	43065	614-314-4373
Kathy Lynn Kamnikar	352 Hopewell Drive	Powell	ОН	43065	614-314-1935
Lori Ann Hamilton	4263 Ewing Court	Powell	ОН	43065	614-360-8199
Eid Hamway	32100 Cannon Rd	Solon	ОН	44139	440-773-8522
Christopher Lent	13972 Maple Circle	Strongsville	ОН	44136	440-785-5984
Thomas F. Pounds	2250 Pemberton Dr.	Toledo	ОН	43606	419-654-1770
Brian Christopher Schuller	4073 April Dr	Uniontown	ОН	44685	330-904-4371
Brian Christopher Schuller	4073 April Dr	Uniontown	ОН	44685	330-904-4371
Emily Conant Gilmartin	5768 Golf Crest Lane	West Chester	ОН	45069	513-673-8336
Shirley Lynn Hunt	50 St Andrews Circle	Broken Arrow	OK	74011	918-808-5905
Bettye Michelle Davis	17717 Ptarmigan Lane	Edmond	OK	73012	405-826-8255
Peter J. Zimmerman	19825 Crest Ridge Dr	Edmond	OK	73012	405-315-2686
Gina Lorraine Sexton-Mateychick	304 East 113th Street South	Jenks	OK	74037	918-691-0727
MaLane C. Harbour	10816 South East 27th St	Midwest City	OK	73130	405-200-8374
Mario Avila	1839 Westminster Place	Nichols Hills	OK	73120	918-261-0622
Stephanie Jaye Parrish	1424 Highland Park Boulevard, Apt 1109	Oklahoma City	OK	73114	405-314-7833
Shannon Elaine Ruesch	PO Box 1496	Owasso	OK	74055	918-853-7171
Corinne Nichole Walker	4730 S. 168th East Avenue	Tulsa	OK	74134	918- 850-0215
Pamela Ellen Hargrove	4504 E 111th Street	Tulsa	OK	74134	918-693-0904
Tamra L. Bird	11606 S. Fulton Ave	Tulsa	OK	74137	918-557-6937
Tamra L. Bird	11606 S. Fulton Ave	Tulsa	OK	74137	918-557-6937
David A. Krueger	18896 Shoshone Rd.	Bend	OR	97702	541-480-9925
David A. Krueger	18896 Shoshone Rd.	Bend	OR	97702	541-480-9925
Katelin Williamson	1724 N. 14th St.	Coos Bay	OR	97420	503-569-4195
Kimberly Dawn Williams	3427 Timberbrook Way	Eugene	OR	97405	541-954-3163
Eleni Amalia Gerding	3235 SE 52nd Ave	Portland	OR	97206	503-816-1070
Alexandra Stiffler	47 McIntosh Ln	Aspers	PA	17304	717-779-5212
Adrian Robert Gallagher	331 Creek Road	Christiana	PA	17509	610-368-2377
Sally Anne Edgerly	305 Saint James Court	Gibsonia	PA	15044	617-943-9549
Erin D. MacWilliams	327 Greenbriar Lane	Havertown	PA	19083	610-299-7490
Kevin J. Burke	1639 West Main St.	Jeffersonville	PA	19403	484-868-8000
Sheldon Glen Esch	2314 Wicklyn Road	Lancaster	PA	17601	717-693-6584
Lauren Marie Papp	PO BOX 683	Maytown	PA	17550	410-790-7579

Name	Address	City	State	Zip	Phone
Dina Russo	2520 Elcor Drive	New Kensington	PA	15068	412-576-5657
Deborah Keyser Graver	137 Trotters Drive	Phoenixville	PA	19460	484-924-9401
Dyan Michelle DeFinis	3311 Riverfront Drive	Pittsburgh	PA	15238	808-699-1801
Jordan Valdez	2100 Woodward Ave.	Pittsburgh	PA	15226	724-420-1962
Jordan Valdez	2100 Woodward Ave.	Pittsburgh	PA	15226	724-420-1962
Barbara Beckert Sheffield	6207 Antler Hill Drive	Trafford	PA	15085	412-951-0902
Barbara Beckert Sheffield	6207 Antler Hill Drive	Trafford	PA	15085	412-951-0902
John C. Bieber	132 Leisure Court	Wyomissing	PA	19610	484-269-9824
Emily Jean Cover	320 Old Orchard Ln	York	PA	17403	717-586-8757
Jason Clayton Neely 10	100 Double Tree Drive	Aiken	SC	29803	706-432-1669
Patricia Merritt Rechichar	1703 College Avenue	Anderson	SC	29621	864-314-4546
Patricia Merritt Rechichar	1703 College Avenue	Anderson	SC	29621	864-314-4546
Michael Thomas Pruitt	527 Elizabeth Lane West	Charleston	SC	29407	336-971-8373
Sarah Beth Gowan	1518 Kentwood Circle	Charleston	SC	29412	203-803-9406
Denise Lynn Fumega	515 Robert Daniel Dr., Apt. 3303	Daniel Island	SC	29492	203-219-4068
Jennifer Margaret Ladd	402 Milner Ct	Daniel Island	SC	29492	843-343-3938
Jennifer Parnell Smith	1068 Wessington Manor	Fort Mill	SC	29715	704-578-5111
Allison Krecker Masquelier	120 Knollview Drive	Greenville	SC	29611	803-960-1273
Morgan Taylor Calhoun	101 Reedy View Drive Apt 443	Greenville	SC	29601	864-517-7370
Erin C. Meyer-Cuno	18 N. Port Royal Drive	Hilton Head	SC	29928	704-222-0760
Karen Elizabeth Clements	44 Sowell Street	Mt. Pleasant	SC	29464	843-806-6425
Jennie Chester Moran	162 Highwood Circle	Murrells Inlet	SC	29576	818-968-2298
Robert Rashad Smith	307 S. River Bluff	Piedmont	SC	29637	843-560-6278
Robert Rashad Smith	307 S. River Bluff	Piedmont	SC	29637	843-560-6278
Melinda George	2236 Osburn Rd	Arrington	TN	37014	951-217-2634
Mark Nixon Casey	6020 Foxland Drive	Brentwood	TN	37027	615-669-1239
Mark Nixon Casey	6020 Foxland Drive	Brentwood	TN	37027	615-669-1239
Mark Nixon Casey	6020 Foxland Drive	Brentwood	TN	37027	615-669-1239
Kristyn M. Graves	3320 Roberts Rd	Chattanooga	TN	37416	510-501-9017
Regennia Maria Martin	5502 Mountain Breeze Drive	Chattanooga	TN	37421	423-503-5251
Rebecca Stevens Fua	8250 Heirloom	College Grove	TN	37046	931-619-0018
Laura Lynn Brodeur	2096 Gallina Circle	Collierville	TN	38017	210-488-2238
Randy Keith Daly	1200 Bayview Drive	Gallatin	TN	37066	931-224-3259
Randy Keith Daly	1200 Bayview Drive	Gallatin	TN	37066	931-224-3259
Brittany Layne Shaw Newman	4509 Cloverdale Loop	Hixson	TN	37343	423-596-5786
Alan Keith Flippin	1604 E. Oakland Avenue	Johnson City	TN	37601	423-430-7300
Alan Keith Flippin	1604 E. Oakland Avenue	Johnson City	TN	37601	423-430-7300
Kina Lynn Dutro	623 Willowcrest Place	Kingsport	TN	37660	423-480-7244
Adriana Centofanti McGovern	718 Harbor Way	Knoxville	TN	37934	937-313-4717
Kenneth Estevanott	2461 Bassfield Drive	Memphis	TN	38133	901-340-3230
Tara Leder Biller	164 Cheek Rd	Nashville	TN	37205	615-829-9440
Priscilla DeVido	715 W. Dumble	Alvan	TX	77511	832-640-0325
James Blake Goldston	6713 Chalet Court	Amarillo	TX	79124	806-358-1894

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 $<sup>^{10}</sup>$  This franchisee lives in South Carolina. The publication is distributed in Georgia.

Name	Address	City	State	Zip	Phone
Nichole Lynnette Thompson	4722 S Western Street Suite C	Amarillo	TX	79109	806-881-7881
Ricke William Moore-Grant	7550 Hillside Road, Apt 3601	Amarillo	TX	79119	254-781-1196
Sandra Lynn Proffitt	PO Box 8407	Amarillo	TX	79114	806-670-7999
Sandra Lynn Proffitt	PO Box 8407	Amarillo	TX	79114	806-670-7999
Sandra Lynn Proffitt	PO Box 8407	Amarillo	TX	79114	806-670-7999
Hannah Elizabeth Reed	1905 Pershing Drive, Unit A	Austin	TX	78723	512-695-5737
Hannah Elizabeth Reed	1905 Pershing Drive, Unit A	Austin	TX	78723	512-695-5737
Hannah Elizabeth Reed	1905 Pershing Drive, Unit A	Austin	TX	78723	512-695-5737
Mark Stephen Jerz	7218 Valburn Dr	Austin	TX	78731	732-245-1257
Rachelle Elizabeth Grossman	9316 Manitou Springs Lane	Austin	TX	78717	737-226-8604
Joseph Olsen	1121 Paniolo Drive	Boerne	TX	78006	315-447-1277
Rebecca Marie Stokes	218 West Hosack Street	Boerne	TX	78006	830-446-1087
Kristen E. Ethridge	4105 Rosewood Lane	Celina	TX	75009	214-514-5075
Jada Jeanette England	2103 Grovewood Park	Conroe	TX	77385	281-245-8100
Rebecca Gibbons McDill	14 Drifting Shadows Circle	Conroe	TX	77385	713-823-5597
Nelia Telese Gray	3750 West Oak Shores Drive	Cross Roads	TX	76227	214-649-9223
Monte Thomas Parks	19626 Red Copper Ln.	Cypress	TX	77433	832-366-5141
Anne Barbara Bendalin	7035 Helsem Way	Dallas	TX	75230	214-354-1403
Marget Cashman Brown	127 Arbor Bay Dr.	Dripping Springs	TX	78620	512-585-5302
Jason Lee Smith	8605 Raintree HL	Fair Oaks Ranch	TX	78015	210-501-3161
Jason Lee Smith	8605 Raintree HL	Fair Oaks Ranch	TX	78015	210-501-3161
Stephanie Bridgett Voorkamp	29462 Summit Ridge Dr	Fair Oaks Ranch	TX	78015	210-426-0125
Dana Harris Venable	3509 Grants Lndg	Fort Worth	TX	76179	817-614-9105
Weldon Reagan Putty III	2008 Taxco Rd	Fort Worth	TX	76116	214-538-4475
Amanda Rupley	1758 Evening Star Road	Frisco	TX	75033	214-548-9186
Jessica Knoblock	12680 Canyon Oaks Drive	Frisco	TX	75033	818-974-3433
Jollery Eckerd	33222 Whitley Court	Fulshear	TX	77441	832-691-0665
Michelle SueHelen Rails	2221 Edinburgh Way	Garland	TX	75040	214-455-8818
Michelle SueHelen Rails	2221 Edinburgh Way	Garland	TX	75040	214-455-8818
Jennifer Lynn Pizer	1223 Terrace View Drive	Georgetown	TX	78628	512-850-1712
Jennifer Lynn Pizer	1223 Terrace View Drive	Georgetown	TX	78628	512-850-1712
Stephanie Elizabeth Pickett	1600 Covered Bridge Court	Gunter	TX	75058	214-418-8319
Stephanie Elizabeth Pickett	1600 Covered Bridge Court	Gunter	TX	75058	214-418-8319
Stephanie Elizabeth Pickett	1600 Covered Bridge Court	Gunter	TX	75058	214-418-8319
Nicole Deneen Connor	1625 Wassel Rd	Haslet	TX	76052	682-326-8898
Therese M. Preas	1820 Morrish Lane	Heath	TX	75032	214-675-7215
Therese M. Preas	1820 Morrish Lane	Heath	TX	75032	214-675-7215
Rebecca Chavez Becker	10619 Larch Grove Ct	Helotes	TX	78023	469-438-3997
Rebecca Chavez Becker	10619 Larch Grove Ct	Helotes	TX	78023	469-438-3997
SenLy Froud Fox	1254 Gardenia Dr	Houston	TX	77018	713-412-3537
Rickie Redell King	1202 1st Street East Suite 2541	Humble	TX	77347	832-917-3842
Benjamin Kyle Houston	115 Bath Road	Huntsville	TX	77340	936-380-0725
Roberta Ann Pettit	6880 FM 932	Jonesboro	TX	76538	817-992-4146
Roberta Ann Pettit	6880 FM 932	Jonesboro	TX	76538	817-992-4146
Crystal Hurst	5801 Alecia Ln	Joshua	TX	76058	903-818-6538

Name	Address	City	State	Zip	Phone
William Stephen Gibbons, Jr.	20311 Monkswood Dr.	Katy	TX	77450	770-530-3141
William Stephen Gibbons, Jr.	20311 Monkswood Dr.	Katy	TX	77450	770-530-3141
William Stephen Gibbons, Jr.	20311 Monkswood Dr.	Katy	TX	77450	770-530-3141
Bonnie Wicklund Smith	2788 Indian Wells	Kerrville	TX	98028	830-428-6011
Diane Nichole Maynard	27600 Kings Manor Drive N Apt. 1722	Kingwood	TX	77339	281-662-6139
Laurie Morris Thompson	1910 Mountain Aspen Lane	Kingwood	TX	77345	727-424-3910
Bryan Scott Runyan	1613 DaVinci Drive	Little Elm	TX	75068	214-897-8880
Charlie Ann Rowten	5307 111th Street	Lubbock	TX	79424	806-438-8010
Jaime Ann Engler	7412 Huron Ave	Lubbock	TX	79424	806-239-3293
Jeffrey S. Pirkl	2818 42nd St	Lubbock	TX	79413	806-392-4085
Susan Marie Maxey	3915 125th	Lubbock	TX	79423	806-239-8869
Vicki T. Blair	5007 101st Street	Lubbock	TX	79424	806-407-2442
Lori Mycoskie	3315 Vista Lake Circle	Mansfield	TX	76063	682-219-4890
Meagan Provan	907 Parkhill Drive	Mansfield	TX	76063	945-271-4968
Agnes Martin	3722 Willow Springs Dr.	Manvel	TX	77578	281-727-8898
Eleanor Walker Pirtle	2044 Oak Glen Drive	McGregor	TX	76657	479-903-5063
Kirsten Gail Williams Swanson	131 Grand Marion Court	Montgomery	TX	77316	504-296-8664
Devin Stiehler	3924 Gentle Meadow	New Braunfels	TX	78130	210-833-6056
Robert Craig Smith 11	5920 Willowcross Way	Plano	TX	75093	870-867-7671
Robert Craig Smith	5920 Willowcross Way	Plano	TX	75093	870-867-7671
Robert Craig Smith	5920 Willowcross Way	Plano	TX	75093	870-867-7671
Robert Craig Smith	5920 Willowcross Way	Plano	TX	75093	870-867-7671
Kimberly Anne Ritz	214 Paul Street	Quitman	TX	75783	903-780-9155
Tanya Badillo	7720 O'connor Drive. #3310	Round Rock	TX	78681	512-913-0696
Jennifer Kohl Raine	901 Indian Trail	Salado	TX	76571	254-421-2178
Amie Schill	5 Whitechurch Ln	San Antonio	TX	78257	210-849-0534
Brian Howard Kalchman	1730 Twilight Bluff	San Antonio	TX	72680	210-444-2164
Deborah Ann Weber	13170 Feather Point Dr.	San Antonio	TX	78233	210-573-7466
Sherry Lynn Meyer	7311 Bella Cloud	San Antonio	TX	78256	210-771-1224
Thomas Haese	2542 Tuscan Oaks	San Antonio	TX	78261	210-393-2543
Yvette Cardenas-Schycker	726 Lost Canyon	San Antonio	TX	78258	210-744-2030
Lori G. Williams	50 Bridgeberry Place	Spring	TX	77381	504-296-0803
Janet C. Mackey-Amador	16 E Wandering Oak Dr	The Woodlands	TX	77381	281-748-1800
Hope Schubert	10810 Hufsmith Rd. Site 22	Tomball	TX	77375	903-780-9096
Patrick Kelly Schmear	2830 W. Grande Blvd, Apt 6202	Tyler	TX	75703	903-707-0348
Jason Dean Stern <sup>12</sup>	416 Wildcat Drive	Winona	TX	75792	651-210-6576
Gregory Douglas Knell	75 E 800 S	Ivins	UT	84738	801-623-8186
Michael Jay Hymas	1221 S Annies Ln	Spanish Fork	UT	84660	801-860-7450
Leah Sankey Anderson	10378 Cohoke Pathway	Ashland	VA	23005	804-513-5338
David Owen Bowling	1939 Kingston Ave.	Norfolk	VA	23503	757-450-2899
Traci Lyn Pasqualone	917 Strawberry Court	Purcellville	VA	20132	703-201-7550
Nicholas Vincent Fessick	4000 W Grace Street	Richmond	VA	23230	804-840-5836

This franchisee lives in Texas. The publication is distributed in Kansas.This franchisee lives in Texas. The publication is distributed in Minnesota.

Name	Address	City	State	Zip	Phone
Nicholas Vincent Fessick	4000 W Grace Street	Richmond	VA	23230	804-840-5836
Karen Sue Carter	2407 Richelieu Ave	Roanoke	VA	24014	540-798-5562
Scott Alan Smith	4904 Mt. Holland Drive SW	Roanoke	VA	24018	540-354-1476
Daniel Lee Murry	181 Brunswick Forge Rd	Troutville	VA	24175	540-816-0354
John Campbell White	921 Cardinal Road	Virginia Beach	VA	23451	757-681-6116
Joseph Daniel Monaghan	120 Thalia Road	Virginia Beach	VA	23452	757-288-2091
Joseph Daniel Monaghan	120 Thalia Road	Virginia Beach	VA	23452	757-288-2091
Leah Blanchard Eyler	2260 Calvert Street	Virginia Beach	VA	23451	917-836-7075
Heather Blades Sowers	290 E Queens Dr	Williamsburg	VA	23185	757-871-2125
Courtney Obland	109 Wicomico Turn	Yorktown	VA	23693	757-724-1340
Eva Christine Bramwell	4357 Lakehill Lane	Bellingham	WA	98229	510-812-3393
Jennie W. Graham	301 Landis Lane	Cle Elum	WA	98922	253-312-8743
Deborah Lynn McVicker	8030 Goodman Dr NW	Gig Harbor	WA	98332	253-732-7638
Deborah Lynn McVicker	8030 Goodman Dr NW	Gig Harbor	WA	98332	253-732-7638
Jessica Ashley Atwell	1507 N Surrey St	Medical Lake	WA	99022	509-565-0479
Jessica Washington	1826 38th Avenue East	Seattle	WA	98112	206-351-3801
Michelle Louia Cahill	4221 51st Ave. NE	Seattle	WA	98105	206-617-1785
Dezirea Blumig	920 S Grove Rd	Spokane	WA	99224	509-701-8720
Richard Lee Gilbert <sup>13</sup>	W328S1570 Forest Hills Ct.	Delafield	WI	53018	708-525-1000
Mandi Sue Wilke	716 Josephine Circle	Green Bay	WI	54311	920-246-1442
Mary Patricia Mulloy	10431 West Oklahoma Ave	Milwaukee	WI	53227	414-312-3285
Dana Marie Hegeman	3180 S Ventura Dr	New Berlin	WI	53151	414-507-9560
Gary Leo Smith	1540 N Stuart Rd	Racine	WI	53406	262-994-5390
Lori Ann Jensen	7306 Casey Lane	Sobieski	WI	54171	920-606-1351
Robert A. Coburn	220 Mountain Laurel Rd.	Daniels	WV	25832	304-860-0099
John David Ghiz	9 Heavenly Place	Huntington	WV	25705	304-633-9618
Harold G. Cooper	1018 Crestmont Rd	Hurricane	WV	25526	304-415-1386
Theresa M. Cooper	1018 Crestmont Rd	Hurricane	WV	25526	304-415-1386
Theresa M. Cooper	1018 Crestmont Rd	Hurricane	WV	25526	304-415-1386
Kevin James Armstrong	1255 Kings Road	Morgantown	WV	26508	304-276-0059
Angela Burge	321 Palm Springs Ave	Cheyenne	WY	82009	307-421-5539

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 $<sup>^{13}</sup>$  This franchisee lives in Wisconsin. The publication is distributed in Illinois.

#### Greet

Name	Address	City	State	Zip	Phone
David Richard Perkins	11325 Park Square Drive, B102	Bakersfield	CA	93311	661-432-1223
Alicia Iezzi Scrimger	48 Creek View Rd	Coto de Caza	CA	92679	310-849-9422
Christine Elise Raymond	1535 Ashwood Dr. Unit D	Martinez	CA	94553	831-295-7676
Christine Anne Gallagher	3419 Via Lido #397	Newport Beach	CA	92663	949-521-3401
Jessica Rossbach-Rhoton	1953 Sunset Court	Oakdale	CA	95361	209-493-2601
Carrie Jane Sweet	1776 Mary Jo Ct	Ripon	CA	95366	209-969-4296
Bradley Dale Martin	729 Palma Dr	Salinas	CA	93901	831-272-4761
Adam Kyle Brous	4010 South Jason Street	Englewood	СО	80110	908-358-2324
Katherine Kelsey Hubbard	113 W Lane	Ridgefield	CT	06877	917-453-1753
Edgar Brett Kitchen <sup>14</sup>	4201 Cathedral Ave, N.W. Apt. 223E	Washington	D.C.	20016	202-355-8811
Brandi M. Wolf	PO Box 533	Eagle	ID	83616	208-631-0709
Jill Dorothy McCain	3904 Woodland Ave	Western Springs	IL	60558	312-301-9222
Jill Dorothy McCain	3904 Woodland Ave	Western Springs	IL	60558	312-301-9222
Lucille Day Scott	6 Hidden Acres Dr	Duxbury	MA	02332	781-264-5721
Lucille Day Scott	6 Hidden Acres Dr	Duxbury	MA	02332	781-264-5721
Edward Allyn Volovlek	1355 Lenox Rd SE	Grand Rapids	MI	49506	616-502-1089
Suzanne Elizabeth Chafin <sup>15</sup>	145 Cedar Woods Cove	Madison	MS	39110	601-988-4101
Jessica Ann Payne	4545 Palisade Drive Apt 15203	Bozeman	MT	59718	406-548-8790
Lynn Faherty	30 King Road	Bedford	NH	03110	917-482-6503
Bryan Jay Tagas	9 Baya Road	Santa Fe	NM	87508	206-619-2924
Jody Ann Fowler	216 S Walnut Avenue	Broken Arrow	OK	74012	918-770-3125
Shannon Elaine Ruesch	PO Box 1496	Owasso	OK	74055	918-853-7171
Tiffany Lucas Larsson	333 S State St., Suite V-200	Lake Oswego	OR	97034	503-989-6718
Adrian Robert Gallagher	331 Creek Road	Christiana	PA	17509	610-368-2377
Danyca Hope Penick	13 Cider Court	Cumberland	RI	02864	401-338-4010
Louis Sagedy	925 Cleveland Street #32	Greenville	SC	29601	864-423-7314
Mark Kevin Van Natta	231 E Park Ave Unit F	Greenville	SC	29601	843-224-1190
Hannah Elizabeth Reed	1905 Pershing Drive, Unit A	Austin	TX	78723	512-695-5737
Joseph Thomas Olsen	1121 Paniolo Drive	Boerne	TX	78006	315-447-1277
Robin Levine Steinberg	6911 Flintcove Dr	Dallas	TX	75248	214-906-2467
Amy Nicole Bracht-Polidori	4 Farther Point	Houston	TX	77024	713-851-5260
Christin Denese Robinson	8931 Forest Side Drive	Missouri City	TX	77459	281-794-7758
Kirsten Gail Williams Swanson	131 Grand Marion Court	Montgomery	TX	77316	504-296-8664
Stephanie Ann Foster Fawcett	8907 NE 152nd Place	Bothell	WA	98011	206-619-5609
Michael Emerson Terry	15417 NE 119th St.	Brush Prairie	WA	98606	360-521-3614
Cynthia Jane Lebeau	30118 NE Livingston Mt Circle	Camas	WA	98607	360-833-2710
Cynthia Jane Lebeau	30118 NE Livingston Mt Circle	Camas	WA	98607	360-833-2710
Paige Danielle Schemenauer	1124 NE Lilac Street, Apt 307	Issaquah	WA	98029	574-214-7577
Jana Lynn Riggan	8542 25th Ave NW	Seattle	WA	98117	206-355-8384
Jana Lynn Riggan	8542 25th Ave NW	Seattle	WA	98117	206-355-8384

This franchisee lives in Washington D.C. The publication is distributed in Virginia.
 This franchisee lives in Mississippi. The publication is distributed in California.

Name	Address	City	State	Zip	Phone
Lindsay Kay Rucker	6726 124th Place SE	Snohomish	WA	98296	425-319-3983
Lindsay Kay Rucker	6726 124th Place SE	Snohomish	WA	98296	425-319-3983

#### EXHIBIT D LIST OF FORMER FRANCHISEES

Franchisees whose franchise agreements were terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement between July 1, 2023 through June 30, 2024, or who have not communicated with us within the last 10 weeks.

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

#### Stroll

Name	City	State	Phone Number	Reason for Departure
Brandon A. Boyd	Bessemer	AL	256-493-2030	Ceased Operations - Other Reasons
Ashley Hunter	Hazel Green	AL	440-773-4755	Ceased Operations - Other Reasons
David Edmond Blanchard	Loxley	AL	251-284-3845	Ceased Operations - Other Reasons
Daniel Mark Stephens	Madison	AL	256-508-5012	Reacquired by franchisor
Caitlin Frances Nicholson	Mountain Brook	AL	256-599-7858	Ceased Operations - Other Reasons
Brandon Leonard Bowen	Northport	AL	205-356-0644	Ceased Operations - Other Reasons
Lana Renee Eiland	Owen Cross Road	AL	256-763-9992	Ceased Operations - Other Reasons
Victoria Dawn Roy	Owens Crossroads	AL	938-200-6561	Ceased Operations - Other Reasons
Kimberly Johnson	Salem	AL	706-330-8235	Ceased Operations - Other Reasons
Sonya Barnette Steele	Troy	AL	334-465-9302	Ceased Operations - Other Reasons
Andrew Blake Estes	Tuscaloosa	AL	205-270-2834	Ceased Operations - Other Reasons
Katherine Virginia Visco <sup>16</sup>	Austin	AR	501-551-3619	Ceased Operations - Other Reasons
John Haden Atkins	Bentonville	AR	808-631-3258	Ceased Operations - Other Reasons
Amy M. Fisher	Little Rock	AR	501-363-2188	Ceased Operations - Other Reasons
Jeffery Borkov	Little Rock	AR	972-849-2026	Ceased Operations - Other Reasons
Scott Caldwell <sup>17</sup>	Magnolia	AR	575-644-4067	Ceased Operations - Other Reasons
Amy Fechtelkotter	North Little Rock	AR	501-830-8989	Ceased Operations - Other Reasons
Maria Wilbanks	North Little Rock	AR	501-428-7972	Ceased Operations - Other Reasons
Kimberly Trotta-Holmes	Flagstaff	AZ	561-707-0515	Reacquired by franchisor
Steven Michael Russell	Gilbert	AZ	480-252-5900	Ceased Operations - Other Reasons
Anthony B. Rivera	Glendale	AZ	602-469-3954	Ceased Operations - Other Reasons
Daisy Raeanne Morrison	Mayer	AZ	928-605-6964	Ceased Operations - Other Reasons
Sarahlynn Anastasia Kile	Peoria	AZ	505-850-6161	Termination
Christiaan Blok	Phoenix	AZ	480-363-6427	Ceased Operations - Other Reasons
Julie Ellen Udall	Phoenix	AZ	480-254-7216	Ceased Operations - Other Reasons
Sheila Marie Gonzales	Phoenix	AZ	602-785-4830	Ceased Operations - Other Reasons
Hyun Mi Suh	Anaheim Hills	CA	562-446-5144	Ceased Operations - Other Reasons
Jeshua Serdynski	Berkley	CA	207-249-1414	Ceased Operations - Other Reasons
Deborah Kwak	Buena Park	CA	714-357-5558	Ceased Operations - Other Reasons
Shea Nicole Tinsley	Canyon County	CA	661-310-6641	Ceased Operations - Other Reasons
Rebecca Faith McSherry	Clayton	CA	415-595-3337	Ceased Operations - Other Reasons
Jason Wesley Cherwin	Corona	CA	646-874-4509	Ceased Operations - Other Reasons

<sup>&</sup>lt;sup>16</sup> This former franchisee lives in Texas. The publication was distributed in Florida.

<sup>&</sup>lt;sup>17</sup> This former franchisee lives in Arkansas. The publication was distributed in Texas.

Name	City	State	Phone Number	Reason for Departure
Dominick B. Wozniak	Coto De Caza	CA	619-252-4687	Ceased Operations - Other Reasons
Monica Simone	Encinitas	CA	917-238-3949	Ceased Operations - Other Reasons
Rene Pamela Kindinger	Ferndale	CA	510-692-3802	Ceased Operations - Other Reasons
Kaitlyn Brooke Andrew	Irvine	CA	330-461-3004	Ceased Operations - Other Reasons
Taytum Rose Popp	La Mesa	CA	559-448-6492	Ceased Operations - Other Reasons
Dennis Backer	Laguna Woods	CA	949-351-1050	Reacquired by franchisor
Devin Darrell Hampton	Long Beach	CA	619-669-8720	Ceased Operations - Other Reasons
Shaeira Love Edison	Los Angeles	CA	619-350-7070	Ceased Operations - Other Reasons
Utamu Pease	Los Angeles	CA	213-218-8313	Ceased Operations - Other Reasons
Kerri Ann Loomis	Menifee	CA	562-356-7500	Ceased Operations - Other Reasons
Melissa Yukseloglu	Oakland	CA	510-599-2201	Ceased Operations - Other Reasons
Eduardo Ponce	Placencia	CA	657-258-6511	Ceased Operations - Other Reasons
Angela Kotob Ali	San Diego	CA	858-663-5645	Ceased Operations - Other Reasons
Justin Nicolas Ochoa	San Diego	CA	619-536-3673	Ceased Operations - Other Reasons
Brian Andres	Santa Rosa	CA	513-289-6891	Ceased Operations - Other Reasons
Robert Ryan Finch	Thousand Oaks	CA	805-765-7611	Ceased Operations - Other Reasons
Patricia Guzman Pelayo	Visalia	CA	559-749-1420	Ceased Operations - Other Reasons
Aaron Gallegos	Woodland	CA	530-219-1921	Ceased Operations - Other Reasons
Anaclaudia Ivon Cervantes	Arvada	СО	708-638-8332	Ceased Operations - Other Reasons
Katherine Morrison	Boulder	СО	303-895-7042	Ceased Operations - Other Reasons
Eric Anthony Lamanna	Brighton	СО	720-990-4726	Ceased Operations - Other Reasons
Benjamin Robert Smith	Carbondale	СО	970-300-1858	Ceased Operations - Other Reasons
Brianna Love Matthews	Colorado Springs	СО	720-767-5523	Ceased Operations - Other Reasons
Kenneth James Reynolds	Colorado Springs	СО	719-686-4090	Ceased Operations - Other Reasons
Michelle June Ebert	Colorado Springs	CO	720-917-9410	Ceased Operations - Other Reasons
Thomas Shapiro	Colorado Springs	СО	505-620-3774	Ceased Operations - Other Reasons
Bruce Gilbert Wilhelm	Denver	СО	303-246-7519	Ceased Operations - Other Reasons
William Andrew Swaney	Denver	СО	303-981-4515	Ceased Operations - Other Reasons
Richard Elliott Merskin	Highlands Ranch	СО	407-473-9727	Ceased Operations - Other Reasons
Daniel Owen Strine	Littleton	СО	720-878-3340	Termination
Cade Reinick	Loveland	CO	970-965-9260	Ceased Operations - Other Reasons
James Ford	Loveland	СО	970-430-3673	Ceased Operations - Other Reasons
Ethan Albert Unruh	Parker	СО	402-440-8594	Ceased Operations - Other Reasons
Cortney Jo Linley	Peyton	СО	719-694-6874	Ceased Operations - Other Reasons
Anthony Escobedo	Pueblo	СО	239-298-0630	Ceased Operations - Other Reasons
Jamie Anong Prakhine	Westminster	СО	303-909-1663	Ceased Operations - Other Reasons
Jeffrey Allan Salter	Windsor	СО	970-218-9311	Ceased Operations - Other Reasons
Brandon Richard Sabbag <sup>18</sup>	New London	CT	860-984-0235	Ceased Operations - Other Reasons
Catherine Austermann Breen	Newtown	CT	203-994-4640	Ceased Operations - Other Reasons
Peter Saad	Southbury	CT	917-570-7745	Ceased Operations - Other Reasons
Anthony Garritano	Wilton	CT	203-529-3131	Ceased Operations - Other Reasons
Colyn Nicolas Tyre	Dover	DE	302-505-0351	Ceased Operations - Other Reasons
Vishal Seth	Newark	DE	610-470-9091	Ceased Operations - Other Reasons

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 $<sup>^{18}</sup>$  This former franchisee lives in Connecticut. The publication was distributed in Rhode Island.

Name	City	State	Phone Number	Reason for Departure
Chadd David Miller	Rehoboth Beach	DE	305-519-4903	Ceased Operations - Other Reasons
Melisa Vega	Apollo Beach	FL	585-230-3834	Termination
Pearlita Jeanne Price	Apollo Beach	FL	360-259-7776	Ceased Operations - Other Reasons
Andrew Bradley Cohen	Boca Raton	FL	480-242-4827	Ceased Operations - Other Reasons
Jenna Ann Dedes	Cape Coral	FL	239-710-0412	Ceased Operations - Other Reasons
Karen Pollynore Suckoo	Daytona Beach	FL	386-868-9866	Ceased Operations - Other Reasons
Lisa McCarthy	Edgewater	FL	407-340-3336	Ceased Operations - Other Reasons
Shannon Marie Silva	Heathrow	FL	407-923-4715	Termination
Michael Ryan Zendejas	Holly Hill	FL	253-876-4351	Ceased Operations - Other Reasons
Kallie Jones	Jacksonville	FL	904-482-8905	Ceased Operations - Other Reasons
Joseph Anthony Silva	Lake Mary	FL	321-262-9217	Ceased Operations - Other Reasons
Wendy L. Handy	Melbourne	FL	321-308-2295	Ceased Operations - Other Reasons
Betty Gonzalez	Miami	FL	786-509-4646	Ceased Operations - Other Reasons
Daniel Valladares	Miami	FL	786-797-6262	Ceased Operations - Other Reasons
David Alin Noël	Miami	FL	786-267-8165	Ceased Operations - Other Reasons
Sebastian Barone	Miami	FL	305-360-9840	Ceased Operations - Other Reasons
Amber Warren	Miami Beach	FL	312-498-0499	Ceased Operations - Other Reasons
Jessica Lynn Huntley	Middleburg	FL	904-465-3990	Ceased Operations - Other Reasons
Jessica Lynn Huntley	Middleburg	FL	904-465-3990	Ceased Operations - Other Reasons
Chapman G. Rider III	Milton	FL	850-376-3359	Reacquired by franchisor
Kanishka Patterson	Miramar	FL	305-527-9520	Ceased Operations - Other Reasons
Rosanne M. Clark	Miramar	FL	305-680-4278	Ceased Operations - Other Reasons
Connor Welling	Naples	FL	239-777-6726	Ceased Operations - Other Reasons
James Villepigue	Naples	FL	516-659-0079	Ceased Operations - Other Reasons
Kimberly Jean Campbell	Naples	FL	207-551-6961	Ceased Operations - Other Reasons
Stephen Andrew Pallotta	Naples	FL	415-769-6027	Ceased Operations - Other Reasons
Marta Lizbeth Rose	Panama City Beach	FL	850-814-3822	Transfer
David Dixon	Royal Palm Beach	FL	561-294-5668	Ceased Operations - Other Reasons
Veronica Salas Cabrera	Sarasota	FL	954-383-1234	Ceased Operations - Other Reasons
Vivienne Oestergaard	St. Augustine	FL	340-227-5880	Ceased Operations - Other Reasons
Gabriel Michael Coker	Stuart	FL	601-500-2073	Ceased Operations - Other Reasons
Reginald Grigsby	Tampa	FL	682-554-5198	Ceased Operations - Other Reasons
Karen Rae Hartigan	Wimauma	FL	949-244-7394	Ceased Operations - Other Reasons
Randy Wayne Swank	Winter Garden	FL	803-415-7678	Ceased Operations - Other Reasons
Joanne Lynette Tedesco	Cumming	GA	573-355-7855	Ceased Operations - Other Reasons
Brian Alan McClellan	Dacula	GA	404-937-0255	Termination
Brittany Marler	Duluth	GA	404-519-0046	Ceased Operations - Other Reasons
Shaun Kory Roberts	Hahira	GA	229-300-2286	Ceased Operations - Other Reasons
Nicholas James NeSmith	Lawrenceville	GA	404-797-9316	Ceased Operations - Other Reasons
David C. Green	Newnan	GA	404-402-8005	Ceased Operations - Other Reasons
John A. Winters	Newnan	GA	678-231-8523	Ceased Operations - Other Reasons
Brandi Powell	Roswell	GA	682-559-9584	Ceased Operations - Other Reasons
Natasha Cary	Roswell	GA	404-808-1279	Ceased Operations - Other Reasons
NaTasha Franklin	Savannah	GA	405-568-5225	Ceased Operations - Other Reasons
Amanda Renee McKnight	Sharpsburg	GA	404-394-0585	Ceased Operations - Other Reasons

Name	City	State	Phone Number	Reason for Departure
Brian Keith Reese	Sharpsburg	GA	706-326-1899	Ceased Operations - Other Reasons
Michale Antonio Lawrence	Valdosta	GA	229-506-8915	Ceased Operations - Other Reasons
Grant Joseph Knowler	Norwalk	IA	515-564-9945	Ceased Operations - Other Reasons
Jovante Nicholas Massey	West Des Moines	IA	773-715-6880	Ceased Operations - Other Reasons
Corey Adam Curtis	Middleton	ID	208-936-5813	Ceased Operations - Other Reasons
Demarion Antonio Bariffe-Smith	Chicago	IL	224-310-7204	Ceased Operations - Other Reasons
Ebonie Ann Caldwell	Chicago	IL	312-581-2439	Ceased Operations - Other Reasons
Dominykas Giedraitis	Downers Grove	IL	331-201-7358	Ceased Operations - Other Reasons
Dylan Scott Wells	Michesney Park	IL	815-391-4663	Ceased Operations - Other Reasons
Lissett Luz Sanchez	Naperville	IL	224-476-0253	Ceased Operations - Other Reasons
Tommie Lee Banks III	Naperville	IL	630-201-0114	Ceased Operations - Other Reasons
Lyle W. Arnold	Peoria	IL	309-241-6539	Ceased Operations - Other Reasons
Amy Lee Conant	Shorewood	IL	815-579-1205	Reacquired by franchisor
Tina Marie Wells	Carmel	IN	219-413-6971	Ceased Operations - Other Reasons
Jeremy Briar Schumann	Chesterton	IN	219-329-0533	Ceased Operations - Other Reasons
TiQuisha M. Hines	Fort Wayne	IN	678-237-9357	Ceased Operations - Other Reasons
Amber Gibson	Indianapolis	IN	317-413-2786	Ceased Operations - Other Reasons
Brian Carl Olson	Indianapolis	IN	269-873-8979	Ceased Operations - Other Reasons
Othoniel Jonathan Santiago	Indianapolis	IN	574-215-3016	Ceased Operations - Other Reasons
Thomas Duane May	Indianapolis	IN	912-665-5080	Ceased Operations - Other Reasons
Zachary Phillip Ellwanger	Indianapolis	IN	317-755-8007	Ceased Operations - Other Reasons
Freda Elisabeth Kiel	Lafayette	IN	507-226-4959	Reacquired by franchisor
John Peter Senger	Noblesville	IN	317-496-2585	Ceased Operations - Other Reasons
Justin Ross Phillips	Terre Haute	IN	812-249-5092	Ceased Operations - Other Reasons
Annette Williams	Valparaiso	IN	708-850-6889	Ceased Operations - Other Reasons
Stacy Lee Snively	Zionsville	IN	317-937-2577	Ceased Operations - Other Reasons
Arlene Morrell	Peck	KS	316-652-5562	Ceased Operations - Other Reasons
Chelsi Danae Myer	Tonganoxie	KS	620-755-2418	Transfer
Raegan Kaye Sowders	Wichita	KS	620-560-4021	Reacquired by franchisor
Ty Wiles	Bowling Green	KY	270-645-1321	Ceased Operations - Other Reasons
Zachary Wade Garrison	Nicholasville	KY	859-797-6764	Ceased Operations - Other Reasons
Andrew Patrick Robinson Smith	Paint Lick	KY	859-312-1190	Ceased Operations - Other Reasons
Alassane K. Dante	Covington	LA	504-881-4858	Ceased Operations - Other Reasons
Timothy Jerome Rouse II	Mandeville	LA	985-373-4320	Ceased Operations - Other Reasons
Teahnna Suriano Donaubauer	New Orleans	LA	310-717-8137	Ceased Operations - Other Reasons
Caryn Mercandetti	Andover	MA	978- 494-4631	Ceased Operations - Other Reasons
Tara B. Finn	Attleboro	MA	508-380-4992	Reacquired by franchisor
Deon McHenry-McGlothin	Dorchester	MA	415-374-1362	Ceased Operations - Other Reasons
Donalin L. Cazeau	Dorchester Center	MA	617-905-7266	Ceased Operations - Other Reasons
Melanie Kathryn Lucier	Duxbury	MA	650-451-2442	Ceased Operations - Other Reasons
Jennifer Martineau <sup>19</sup>	Feeding Hills	MA	941-237-7463	Ceased Operations - Other Reasons
Rebecca Lynn Carson	Gloucester	MA	585-905-9261	Ceased Operations - Other Reasons
Kenneth D. Rowland	Hull	MA	617-818-5374	Ceased Operations - Other Reasons

<sup>&</sup>lt;sup>19</sup> This former franchisee lives in Massachusetts. The publication was distributed in Connecticut.

Name	City	State	Phone Number	Reason for Departure
Leah Anne O'Brien	Sherborn	MA	617-817-7895	Ceased Operations - Other Reasons
Benjamin Parker Phillips	South Boston	MA	774-205-3980	Ceased Operations - Other Reasons
Daniel Carney	Annapolis	MD	240-424-8704	Ceased Operations - Other Reasons
David Youmans Grabau	Annapolis	MD	301-257-3280	Reacquired by franchisor
Audriana Duvall	Baltimore	MD	410-303-2181	Ceased Operations - Other Reasons
Magdalena Grove	Baltimore	MD	443-248-9367	Ceased Operations - Other Reasons
Brenda Laham West	Bethesda	MD	310-936-7326	Ceased Operations - Other Reasons
Ashley Nicole Chatham <sup>20</sup>	Fruitland	MD	864-547-3568	Ceased Operations - Other Reasons
Brooke Elizabeth Grunder	Pasadena	MD	443-805-4094	Ceased Operations - Other Reasons
Keli Jhania Smith	Windsor Mill	MD	559-213-4917	Ceased Operations - Other Reasons
Randall Koch	Windsor Mill	MD	443-850-9247	Ceased Operations - Other Reasons
Kaylynn Leona Linck	Auburn	ME	207-346-1408	Ceased Operations - Other Reasons
Kathlene Edna Clarke	Litchfield	ME	207-907-6978	Reacquired by franchisor
George C. Gervais	North Yarmouth	ME	207-570-8135	Ceased Operations - Other Reasons
Asha Emily Hart	Canton	MI	602-689-7220	Ceased Operations - Other Reasons
Tracy Lynn Klein-Lambert	Dexter	MI	734-323-4632	Ceased Operations - Other Reasons
Jennifer Pauline Maksimowski	Grand Rapids	MI	616-617-6458	Ceased Operations - Other Reasons
Jennifer Nicole Eifler	Harper Woods	MI	248-820-1934	Ceased Operations - Other Reasons
Gabriel Culberson	Lansing	MI	517-528-9472	Termination
Krystal Ann Newman	Marine City	MI	586-713-1103	Ceased Operations - Other Reasons
Cynthia Ellen McKee	Osseo	MI	703-431-8290	Ceased Operations - Other Reasons
Marischa Lea Sproul	Royal Oak	MI	313-949-6821	Ceased Operations - Other Reasons
Tanya Marie Schumann	Warren	MI	248-659-2753	Ceased Operations - Other Reasons
Shawn Thomas Quarberg	Big Lake	MN	612-237-9959	Reacquired by franchisor
Jason Alan Steinmetz	Eureka	MO	314-606-6095	Ceased Operations - Other Reasons
Robert Michael Benton	Kansas City	MO	630-670-7523	Ceased Operations - Other Reasons
Zachary Michael Metcalf	Saint Charles	MO	636-312-0422	Ceased Operations - Other Reasons
Sarah Elaine Reynolds	Sedalia	MO	931-220-8538	Ceased Operations - Other Reasons
Joe Manzari	Springfield	MO	202-230-1069	Ceased Operations - Other Reasons
Kimberly R. Knerr	Wentzville	MO	636-734-7466	Reacquired by franchisor
Seth Clayton Little	Madison	MS	601-954-9093	Ceased Operations - Other Reasons
Dmitriy Kuzmenko	Kalispell	MT	406-314-1163	Termination
Larissa Renee Rolland	Advance	NC	336-430-7404	Ceased Operations - Other Reasons
Macy Butler Knoble	Castle Hayne	NC	910-363-6919	Reacquired by franchisor
Christy Leigh Lawless	Chapel Hill	NC	917-532-0786	Ceased Operations - Other Reasons
Mary Bowman Aylin	Durham	NC	919-795-6347	Ceased Operations - Other Reasons
Rachel Kovick Lyons	Durham	NC	919-280-9566	Reacquired by franchisor
Rachel Kovick Lyons	Durham	NC	919-280-9566	Reacquired by franchisor
Zachary Tyson Roach	Fayetteville	NC	828-835-6419	Ceased Operations - Other Reasons
Christine Eyster Roshto	Greensboro	NC	336-918-7200	Reacquired by franchisor
William Michael Scarbrough Jr.	Greensboro	NC	336-580-5006	Reacquired by franchisor
Jessica Renee Ayala	Hendersonville	NC	979-201-6129	Ceased Operations - Other Reasons
Edward Dowdy Sarvis	Kernersville	NC	919-623-8110	Ceased Operations - Other Reasons

<sup>&</sup>lt;sup>20</sup> This former franchisee lives in Maryland. The publication was distributed in Florida.

Name	City	State	Phone Number	Reason for Departure
Abigail Hearn	Raleigh	NC	336-905-9999	Ceased Operations - Other Reasons
Amber Nichol Royal	Raleigh	NC	919-538-0666	Ceased Operations - Other Reasons
Karen White	Raleigh	NC	954-648-4495	Ceased Operations - Other Reasons
Samantha West	Raleigh	NC	910-508-1967	Reacquired by franchisor
Christine LePendu	Wilmington	NC	910-660-2872	Ceased Operations - Other Reasons
Ashley Brooke Eller	Youngsville	NC	919-561-8023	Ceased Operations - Other Reasons
Jamy Marie Sullivan	Lincoln	NE	856-573-4511	Ceased Operations - Other Reasons
Margaret Mary Wolf	Omaha	NE	636-445-2098	Ceased Operations - Other Reasons
Randy B. Bamberger	Bow	NH	603-493-9147	Ceased Operations - Other Reasons
Christine Louise Carpenter	Manchester	NH	603-867-0422	Termination
Breanna Erich <sup>21</sup>	Salem	NH	401-636-5140	Ceased Operations - Other Reasons
Meredith Anne Volker	Dover	NJ	828-266-6494	Ceased Operations - Other Reasons
Nicole Galati	South Hampton	NJ	609-410-3326	Ceased Operations - Other Reasons
Nigil Black Johnson	Turnersville	NJ	856-573-4511	Ceased Operations - Other Reasons
Derrick William Sloan	Albuquerque	NM	904-349-0732	Ceased Operations - Other Reasons
Kathryn Denise Husted	Albuquerque	NM	505-288-6739	Ceased Operations - Other Reasons
Sean Paul Frei	Albuquerque	NM	505-610-8942	Ceased Operations - Other Reasons
Valerie Yvette Martinez	Albuquerque	NM	505-238-8580	Ceased Operations - Other Reasons
Clinton Steven Ainsworth	Santa Fe	NM	505-414-7310	Ceased Operations - Other Reasons
James Edward Tettenhorst	Henderson	NV	702-701-6030	Ceased Operations - Other Reasons
Michael Ebb Huggins	Las Vegas	NV	786-777-8303	Ceased Operations - Other Reasons
Sarah Auretta Perry	Las Vegas	NV	702-797-0294	Ceased Operations - Other Reasons
Scott Lee Reath	Las Vegas	NV	702-343-3887	Ceased Operations - Other Reasons
Allison Robinson	Reno	NV	925-683-1520	Reacquired by franchisor
Kyle VanZandt	Buffalo	NY	410-570-0187	Ceased Operations - Other Reasons
Megan Coppersmith Szerwo	Buffalo	NY	206-919-4502	Reacquired by franchisor
Patricia Ann Spodnik	Irvington	NY	914-318-9308	Ceased Operations - Other Reasons
Erich Eisenegger	Lloyd Harbor	NY	917-297-5455	Reacquired by franchisor
Alan E. Sucher	Long Island	NY	516-383-1567	Ceased Operations - Other Reasons
Vasiliki Lagis	Muttontown	NY	516-830-0888	Ceased Operations - Other Reasons
Anthony Mitchell	Ontario	NY	585-472-4102	Ceased Operations - Other Reasons
Alberto John Cassola	Oyster Bay	NY	516-815-7670	Reacquired by franchisor
Jared Christopher Jones	Pleasantville	NY	914-488-7826	Ceased Operations - Other Reasons
Ashly Matyas	Saratoga Springs	NY	607-302-2143	Ceased Operations - Other Reasons
Eric Zhinin	Sleepy Hollow	NY	914-688-2784	Ceased Operations - Other Reasons
John Salmi	Bay Village	ОН	216- 973-9314	Ceased Operations - Other Reasons
Greg Herbert	Canal Winchester	ОН	602-697-7283	Ceased Operations - Other Reasons
Amy M. Peyton-Sanzone	Canton	ОН	614-735-1167	Ceased Operations - Other Reasons
Nicholas Norman Elkovitch	Columbus	ОН	814-572-7155	Ceased Operations - Other Reasons
Leticia Ruiz	Liberty Township	ОН	562-412-6658	Ceased Operations - Other Reasons
Kelly Bassin Cusack	Maumee	ОН	419-509-0206	Reacquired by franchisor
Lisa Kari Tersigni	Northwood	ОН	419-266-2101	Ceased Operations - Other Reasons
Raven Symone Green	Olmsted Township	ОН	216-210-4473	Ceased Operations - Other Reasons

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 $<sup>^{21}</sup>$  This former franchisee lives in New Hampshire. The publication was distributed in Massachusetts.

Name	City	State	Phone Number	Reason for Departure
Josie Lampert	Tipp City	ОН	419-629-3960	Ceased Operations - Other Reasons
Kelly Ann Brennan	Waynesville	ОН	513-675-7132	Ceased Operations - Other Reasons
Erin Parks	Broken Arrow	OK	918-724-8574	Ceased Operations - Other Reasons
Peyton Bookout-Bridgeford	Moore	OK	405-339-4433	Ceased Operations - Other Reasons
Brittany Burton	Oklahoma City	OK	405-471-1269	Reacquired by franchisor
Jennifer Pankhurst	Oklahoma City	OK	405-819-0685	Ceased Operations - Other Reasons
JoAnna Blackstock	Oklahoma City	OK	918-260-2838	Ceased Operations - Other Reasons
Alicia Deanne Urban	Tulsa	OK	918-810-6681	Ceased Operations - Other Reasons
Tyler Henry Bird	Tulsa	OK	918-884-4641	Transfer
Koby Pearson	Beaverton	OR	503-706-1211	Ceased Operations - Other Reasons
Ronald Kennedy Montgomery	Bend	OR	541-279-9272	Ceased Operations - Other Reasons
Kimberly Dawn Williams	Eugene	OR	541-954-3163	Reacquired by franchisor
Sabrina Monique Haskett	Eugene	OR	458-221-2626	Ceased Operations - Other Reasons
Timothy Richard Shimmel	Portland	OR	971-442-5569	Ceased Operations - Other Reasons
Heather Rae Taylor	Springfield	OR	541-517-3832	Ceased Operations - Other Reasons
Lisa Craig	Cranberry Township	PA	254-718-4410	Ceased Operations - Other Reasons
Anne Mary Rivers	Lancaster	PA	570-665-0955	Ceased Operations - Other Reasons
Gregory Galen Biller	Mechanicsburg	PA	717-443-2129	Reacquired by Franchisor
Ronald DeAndre Moncrief	New Castle	PA	412-613-2321	Ceased Operations - Other Reasons
Nakia S. Bell	Norristown	PA	215-596-9000	Ceased Operations - Other Reasons
Aisha Torres	Philadelphia	PA	215-820-2716	Ceased Operations - Other Reasons
Devon Magarity	Philadelphia	PA	267-524-1170	Ceased Operations - Other Reasons
Ronald Jake Sudderth	York	PA	717-803-1333	Ceased Operations - Other Reasons
Bradley Van Fechtmann	East Greenwich	RI	401-323-9061	Ceased Operations - Other Reasons
Marc Harris	East Greenwich	RI	401-261-1377	Ceased Operations - Other Reasons
Sean Patrick Duprey	Exeter	RI	401-302-0111	Ceased Operations - Other Reasons
Tanja Diana Carroll	North Kingstown	RI	781-475-0818	Ceased Operations - Other Reasons
Taylor Fulton	Beaufort	SC	843-473-0653	Ceased Operations - Other Reasons
Quintin Andrew Shurow	Charleston	SC	843-469-5565	Ceased Operations - Other Reasons
Michael Woodall	Florence	SC	843-260-7075	Ceased Operations - Other Reasons
Irie Eargle	Gaston	SC	803-949-5684	Ceased Operations - Other Reasons
David B. Phillips	Hardeeville	SC	716-400-9750	Ceased Operations - Other Reasons
Lauren Park	Ladson	SC	757-751-2358	Ceased Operations - Other Reasons
Stacy Louise Henderson	Lexington	SC	803-556-5151	Ceased Operations - Other Reasons
Robert Brooks Maxwell	St. Helena Island	SC	843-929-2605	Ceased Operations - Other Reasons
Alexandria Nicole Batts	Summerville	SC	843-582-1595	Ceased Operations - Other Reasons
Brandon Elijah Bradley	West Columbia	SC	803-316-6609	Ceased Operations - Other Reasons
Brian Wesley Wickey	North Sioux City	SD	712-635-5123	Ceased Operations - Other Reasons
Kari Michelle Ellison Eickhoff	Arrington	TN	615-609-6311	Ceased Operations - Other Reasons
Jeremiah Eugene McClure	Harriman	TN	865-245-9001	Ceased Operations - Other Reasons
Christopher Joseph Stanley	Knoxville	TN	865-440-3095	Ceased Operations - Other Reasons
Jordyn Taylor Werfelmann	Knoxville	TN	315-657- 0490	Ceased Operations - Other Reasons
Kacey Ann Brunson	Memphis	TN	901-254-2150	Ceased Operations - Other Reasons
Baron Jared Smith	Addison	TX	214-912-2816	Ceased Operations - Other Reasons
David Lee Simmers	Amarillo	TX	806-679-1945	Ceased Operations - Other Reasons

Name	City	State	Phone Number	Reason for Departure
Sandra Lynn Proffitt	Amarillo	TX	806-670-7999	Reacquired by franchisor
Sandra Lynn Proffitt	Amarillo	TX	806-670-7999	Reacquired by franchisor
Jennifer Shew	Andrews	TX	432-266-0086	Ceased Operations - Other Reasons
Karmen Jones Fasoro	Arlington	TX	214-684-9008	Ceased Operations - Other Reasons
William Bruton	Aubrey	TX	202-239-9605	Ceased Operations - Other Reasons
Hannah Elizabeth Reed	Austin	TX	512-695-5737	Reacquired by franchisor
Jacob Pumphrey	Austin	TX	512-415-6086	Ceased Operations - Other Reasons
Katherine Murray Slaughter	Austin	TX	512-884-7420	Ceased Operations - Other Reasons
Sharon Zachery	Bedford	TX	682-556-7775	Ceased Operations - Other Reasons
Mindi Shawn McCauley	Bulverde	TX	210-278-8124	Ceased Operations - Other Reasons
Kelly Gissler	Cedar Park	TX	512-229-8494	Ceased Operations - Other Reasons
Allison Baird Buff	College Station	TX	512-496-4573	Ceased Operations - Other Reasons
Hazel Robertson Manjarris	Corpus Christi	TX	361-249-4356	Ceased Operations - Other Reasons
Nicholas Francis Manjarris	Corpus Christi	TX	361-249-4356	Ceased Operations - Other Reasons
Danielle Carr	Dallas	TX	972-821-1633	Ceased Operations - Other Reasons
Janet Lee DuPree	Dallas	TX	214-864-1193	Ceased Operations - Other Reasons
Sarah M. Norris	Dallas	TX	860-910-2974	Reacquired by franchisor
LaShaun Marshall	Desoto	TX	469-897-2218	Ceased Operations - Other Reasons
Wallace Marshall Holyfield	Forney	TX	214-883-6959	Ceased Operations - Other Reasons
Jacob Webb	Fort Worth	TX	817-382-7728	Ceased Operations - Other Reasons
Tommy Trevino	Fort Worth	TX	682-540-1474	Ceased Operations - Other Reasons
Weldon Reagan Putty III	Fort Worth	TX	214-538-4475	Ceased Operations - Other Reasons
Ericka ShaVaughn Criner	Frisco	TX	972-896-6714	Ceased Operations - Other Reasons
Esteban Alvarez		TX	254-366-7789	Ceased Operations - Other Reasons
Bella Ramos	Georgetown Grand Prairie	TX	512-294-1567	Ceased Operations - Other Reasons
Derek Dighton	Horizon City	TX	561-445-8920	Ceased Operations - Other Reasons
Abigail Hatcher	Houston	TX	713-289-4742	Ceased Operations - Other Reasons
Amy Nicole Bracht-Polidori	Houston	TX	713-289-4742	Ceased Operations - Other Reasons
				•
Charlotte Goncarovs	Houston	TX	713-818-3200	Ceased Operations - Other Reasons
Jo Anna Chapman Ness	Houston	TX	713-385-7577	Ceased Operations - Other Reasons
Joy Danielle Stewart	Houston	TX	713-628-5477	Ceased Operations - Other Reasons
Nicole Marie Eaves	Houston	TX	832-820-3475	Ceased Operations - Other Reasons
Rochelle Gregory	Hurst	TX	682-554-1716	Ceased Operations - Other Reasons
Crystal Leigh Hurst	Joshua	TX	903-818-6538	Reacquired by franchisor
Kevin Bradford Wadell	Kingwood	TX	916-805-7344	Ceased Operations - Other Reasons
Oleta Marie Forse	Kingwood	TX	832-317-7171	Ceased Operations - Other Reasons
Denise Rose Godoy	Lindale	TX	903-521-5915	Ceased Operations - Other Reasons
Kimberly Christine Codr	Little Elm	TX	469-588-3128	Ceased Operations - Other Reasons
Charlie Ann Rowten	Lubbock	TX	806-438-8010	Ceased Operations - Other Reasons
Alan Sabour	McKinney	TX	602-679-1036	Ceased Operations - Other Reasons
Bernardo Brito	New Braunfels	TX	321-230-6716	Ceased Operations - Other Reasons
Valencia Jones Powell	Northlake	TX	972-900-7412	Ceased Operations - Other Reasons
Vanessa Monfort Sundareson	Plano	TX	714-319-2656	Ceased Operations - Other Reasons
Roberto Antonio Ceballos Sepulveda	San Elizario	TX	915-996-6969	Ceased Operations - Other Reasons
Hannah Claire Nemeth	Spring	TX	832-610-5463	Ceased Operations - Other Reasons

Name	City	State	Phone Number	Reason for Departure
Joel Alexander McDow	Temple	TX	979-777-4803	Transfer
Aaron L. Thomas	Texas City	TX	832-425-4665	Ceased Operations - Other Reasons
Wylie Rex Thomas	Herriman	UT	435-828-2880	Ceased Operations - Other Reasons
Patrick Henry Aspell <sup>22</sup>	Hill Airforce Base	UT	865-384-1847	Ceased Operations - Other Reasons
Rayann Allyssa Allen	Layton	UT	385-358-5758	Ceased Operations - Other Reasons
Jeremy Harold Browning	North Salt Lake	UT	435-922-5216	Ceased Operations - Other Reasons
Suzanne Emily Wilson Mortensen	Ogden	UT	209-550-1284	Ceased Operations - Other Reasons
Susan C. Hirai	Sandy	UT	801-518-3555	Ceased Operations - Other Reasons
Caroline Califf Tadeo	Alexandria	VA	703-727-6237	Reacquired by franchisor
Ameruddin Siddiqui (Amer)	Charlottesville	VA	646-334-4491	Ceased Operations - Other Reasons
Logan Phillips Sanzo	Hampton	VA	757-753-2383	Ceased Operations - Other Reasons
Victoria Faith Eiselstein (Tori)	Hopewell	VA	540-735-6063	Ceased Operations - Other Reasons
Tina Dawn Murray	Midlothian	VA	804-314-0346	Ceased Operations - Other Reasons
Angela Janel Franklin	Richmond	VA	804-585-8183	Ceased Operations - Other Reasons
Vicki L. Shull	Suffolk	VA	757-995-3931	Reacquired by franchisor
Kevin Allan Hall	Virginia Beach	VA	757-213-6945	Ceased Operations - Other Reasons
Sheila Kay Kilpatrick	Virginia Beach	VA	757-425-7333	Ceased Operations - Other Reasons
Sandra Ann Aranegui	Wirtz	VA	540-393-1145	Ceased Operations - Other Reasons
Christopher Shaun Enman	Waterbury Center	VT	802-779-7496	Ceased Operations - Other Reasons
David Michael Dicks	Bellevue	WA	515-865-5891	Ceased Operations - Other Reasons
Kristin D'Angelo-Crockett	Kennewick	WA	425-239-7206	Ceased Operations - Other Reasons
Jennifer Barlynn Barnhart	Spokane Valley	WA	509-280-7142	Ceased Operations - Other Reasons
Brown Gitau	Tacoma	WA	425-633-5081	Ceased Operations - Other Reasons
Richard Simpson	Tacoma	WA	253-987-9669	Ceased Operations - Other Reasons
Richard Lee Gilbert <sup>23</sup>	Delafield	WI	708-525-1000	Reacquired by franchisor
Derrick Alan Green	Sun Prairie	WI	608-860-1131	Ceased Operations - Other Reasons
Li Yang Buschkopf	Wauwatosa	WI	262-606-4170	Ceased Operations - Other Reasons

This former franchisee lives in Utah. The publication was distributed in South Carolina.This former franchisee lives in Wisconsin. The publication was distributed in Illinois.

#### Greet

Name	City	State	Phone Number	Reason for Departure
Sondra Wise	San Diego	CA	402-671-1959	Ceased Operations - Other Reasons
Daniel Lee Allsup	Castle Pines	CO	719-358-1774	Ceased Operations - Other Reasons
Chelsea Marie Gust	Eaton	CO	970-313-8159	Ceased Operations - Other Reasons
Susannah Leaming	Fort Collins	CO	970-443-1034	Ceased Operations - Other Reasons
Michael Aloysius Campbell	Amesbury	MA	518-925-9337	Ceased Operations - Other Reasons
Carmella Ann Beroth <sup>24</sup>	Uxbridge	MA	401-837-0201	Ceased Operations - Other Reasons
Erin Bailey O'Driscoll	Grand Rapids	MI	616-206-7946	Ceased Operations - Other Reasons
Krystal Alfreds	Tupelo	MS	662-372-3753	Ceased Operations - Other Reasons
Leslie Limerick Lockhart	Willow Spring	NC	919-745-0494	Ceased Operations - Other Reasons
Ron Darrell Lewis	Camden	NJ	973-333-7113	Ceased Operations - Other Reasons
John Kilakowske	Sparks	NV	916-276-4004	Ceased Operations - Other Reasons
Elizabeth Ann Zamos	Lake Oswego	OR	917-892-9596	Ceased Operations - Other Reasons
Ryan JonPaul Derfler	Chadd's Ford	PA	717-222-9547	Transfer
Anne Mary Rivers	Lancaster	PA	570-665-0955	Ceased Operations - Other Reasons
Tiffany Ann Panzera	Myrtle Beach	SC	720-620-1088	Ceased Operations - Other Reasons
Joshua Campbell	Coppell	TX	972-904-3694	Ceased Operations - Other Reasons
Brandon Javier Perez	Flower Mound	TX	972-832-4757	Ceased Operations - Other Reasons
David Leonard Nelson	Spanish Fork	UT	503-267-2647	Ceased Operations - Other Reasons
Mike Skiff	Fircrest	WA	253-720-4651	Transfer
Deborah Lynn McVicker	Gig Harbor	WA	253-732-7638	Ceased Operations - Other Reasons
Anne L. Hess	Kirkland	WA	206-549-4500	Reacquired by franchisor
Sonja Deanne Pilon	Lake Stevens	WA	425-290-2129	Ceased Operations - Other Reasons
Jacqulyn LaVeenia Diteman Paneque	Maple Valley	WA	206-304-4212	Transfer
Stephanie Mateus	Snohomish	WA	561-445-5486	Ceased Operations - Other Reasons

<sup>&</sup>lt;sup>24</sup> This franchisee former franchisee lives in Massachusetts. The publication was distributed in Rhode Island.

### EXHIBIT E FRANCHISE BRAND STANDARDS MANUAL TABLE OF CONTENTS



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#### EXHIBIT F AD SERVICES AGREEMENT

This AD Services Agreement (this "**Agreement**") dated as of [INSERT DATE] ("Effective Date"), is entered into by and between The N2 Company, a Delaware corporation, with its principal place of business located in Irving, Texas ("N2"), and [FRANCHISEE NAME] ("AD").

- 1. <u>Services</u>. In accordance with the terms and subject to the conditions set forth in this Agreement, N2 will provide to the AD the services ("**Services**") set out in **Exhibit A**. The Services will be provided, and fees will be charged (see Section 2), on a per-publication basis for each publication the AD, as a franchisee of N2 Franchising, Inc., is responsible for during the term of the Agreement.
- 2. Fees and Expenses. For the Services to be performed hereunder, the AD will pay to N2 the fees ("Fees") set out in Exhibit B. The Fees will be deducted from the Commissions (as defined under AD's applicable Franchise Agreement) owed to the AD by N2's affiliate, N2 Franchising, Inc. AD will be responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by AD hereunder; provided, that, in no event will AD pay or be responsible for any taxes imposed on, or regarding, N2's income, revenues, gross receipts, personnel, or real or personal property or other assets. All late payments shall bear interest at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. AD shall also reimburse N2 for all reasonable costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under this Agreement or at law (which N2 does not waive by the exercise of any rights hereunder), N2 shall be entitled to suspend the provision of any Services if the AD fails to pay any amounts when due hereunder and such failure continues for 7 days following written notice thereof. N2 has the right to modify (including increasing) the Fees upon 45 days' written notice to AD.
- 3. <u>Intellectual Property</u>. All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how, and other confidential information, trade dress, trade names, logos, corporate names, and domain names, together with all the goodwill associated therewith, derivative works and all other rights (collectively, "**Intellectual Property Rights**") in and to all documents, work product and other materials that are delivered to the AD under this Agreement or prepared by or on behalf of N2 in the course of performing the Services (collectively, the "**Deliverables**") shall be owned exclusively by N2 Franchising, Inc.
- 4. <u>Term.</u> This Agreement shall commence as of the Effective Date and shall continue thereafter until the earlier of (a) the completion of the Services, (b) the expiration, transfer, or termination of the franchise agreement between AD and N2 Franchising, Inc., or (c) the termination of this Agreement pursuant to Section 5 ("**Term**").
- 5. <u>Termination</u>. Either party may terminate this Agreement, effective upon written notice to the other party ("**Defaulting Party**"), if the Defaulting Party: (a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within 30 days after receipt of written notice of such breach; (b) becomes insolvent or makes a general assignment for the benefit of creditors; (c) files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof; (d) an involuntary petition is filed with respect to the party under any such laws and is not dismissed within 60 days after it is filed; (e) admits in writing its inability to pay its debts when due; (f) is adjudicated as bankrupt or insolvent in proceedings filed against that party under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; (g) a bill in

equity or other proceeding for the appointment of a receiver of the party or other custodian for the party's business or assets is filed and consented to by the party; (h) a receiver or other custodian (permanent or temporary) of the party's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (i) proceedings for a composition with creditors under any state or federal law should be instituted by or against the party; (j) a final judgment against the a party remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); (k) or the party is dissolved; or (l) execution is levied against the party's business or property. Notwithstanding anything to the contrary in this section, N2 may terminate this Agreement before the expiration date of the Term on written notice if the AD fails to pay any amount when due hereunder: (a) and such failure continues for 7 days after N2's written notice to the AD of nonpayment; or (b) more than 2 times in any 2-month period. N2 may additionally terminate this Agreement for convenience at any time upon notice. Further, AD may terminate this Agreement for convenience at any time upon 30 days written notice.

- 6. <u>Independent Contractor.</u> N2 will control the details of the method and manner for performance of the Services, the AD being interested only in the results thereof. N2 will be solely responsible for supervising, controlling, and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give the AD the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. N2 is for all purposes hereunder an independent contractor, and in no event will N2 be considered an agent or employee of the AD or any of its subsidiaries or affiliates for any purpose.
- 7. <u>Limited Warranty</u>. N2 will provide the Services in a professional manner. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, N2 MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS, OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, ALL OF WHICH ARE HEREBY DISCLAIMED BY N2 AND EXCLUDED FROM THIS AGREEMENT. N2's sole and exclusive liability and AD's sole and exclusive remedy for breach of the limited warranty set out in this Section shall be reperformance of the affected Services. If N2 cannot reperform the Services in compliance with the warranty set forth above within a reasonable time (but no more than 30 days) after AD's written notice of such breach, the AD may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 5. Within 30 days after the effective date of such termination, N2 will credit to the AD an amount equal to the portion of the fees previously paid by the AD as of the date of termination corresponding to the defective Services.
- 8. <u>Limitation of Liability</u>. IN NO EVENT SHALL N2 BE LIABLE TO THE AD OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER N2 HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL N2'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO N2 DURING THE PRECEDING 12-MONTH PERIOD PURSUANT TO THIS AGREEMENT.
- 9. <u>General</u>. Each of the parties hereto shall use reasonable efforts to, from time to time at the request and sole expense of the other party, furnish the other party such further information or assurances, execute and deliver such additional documents, instruments, and conveyances, and take such other actions and do such other things, as may be reasonably necessary. Each party shall deliver all communications in writing via email. This Agreement and all matters arising out of or relating to this Agreement, including

tort and statutory claims are governed by, and construed in accordance with the laws of Texas, (including its statutes of limitations and choice of law statute), without giving effect to any conflict of laws provisions thereof that would result in the application of the laws of a different jurisdiction. Either party shall exclusively institute any legal suit, action, or proceeding arising out of or relating to this Agreement in the federal or state courts in each case located in Irving, Texas. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY: (A) CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE AFOREMENTIONED COURTS; (B) WAIVES ANY OBJECTION TO THAT CHOICE OF FORUM BASED ON VENUE OR TO THE EFFECT THAT THE FORUM IS NOT CONVENIENT; (C) WAIVES ANY RIGHT TO TRIAL BY JURY; AND (D) WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT, OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY TEXAS LAW. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous written or oral understandings, agreements, representations, and warranties with respect to such subject matter. The invalidity, illegality, or unenforceability of any provision herein does not affect any other provision herein or the validity, legality, or enforceability of such provision in any other jurisdiction. The parties may not amend this Agreement except by a written instrument signed by the parties. No waiver of any right, remedy, power, or privilege under this Agreement ("Right(s)") is effective unless contained in a writing signed by the party charged with such waiver. No failure to exercise, or delay in exercising, any Right operates as a waiver thereof. No single or partial exercise of any Right precludes any other or further exercise thereof or the exercise of any other Right. The Rights under this Agreement are cumulative and are in addition to any other rights and remedies available at law or in equity or otherwise; provided that, the parties intend that the remedy set out in Section 7 (Limited Warranty) is the AD's exclusive remedy for the N2's breach of the limited warranty set out in Section 7. Neither party may directly or indirectly assign, transfer, or delegate any of or all of its rights or obligations under this Agreement, voluntarily or involuntarily, including by change of control, merger (whether or not such party is the surviving entity), operation of law, or any other manner, without the prior written consent of the other party. Any purported assignment or delegation in violation of this Section shall be null and void. N2, however, may subcontract the Services. This Agreement is binding upon and inures to the benefit of the parties and their respective successors and permitted assigns. Except for the parties, their successors, and permitted assigns, there are no third-party beneficiaries under this Agreement. Sections 3, 6, 7, and 8 of this Agreement, as well as any other provision that, in order to give proper effect to its intent, should survive the expiration or termination of this Agreement, will survive such expiration or termination for the period specified therein, or if nothing is specified for a period of thirty-six (36) months after such expiration or termination. This Agreement may be executed in counterparts and/or using electronic signatures. To add, delete, or modify the Services and to adjust the Fees accordingly, Exhibit A and Exhibit B may be amended by mutual agreement through a writing signed by both parties; provided, the foregoing does not modify or reduce N2's unilateral right to change the Fees upon 45 days' notice as set forth in Section 2 above.

N2:	AD:		
The N2 Company			
a Delaware corporation			
•			
By:	By:		
Name:	Name:		
Title:	Title:		

# Exhibit A to AD Services Agreement DESCRIPTION OF SERVICES

[Insert Description of Franchisee's Selected Services]

# Exhibit B To AD Services Agreement COMPENSATION

[Insert Fees for Franchisee's Selected Services]

# EXHIBIT G FORM OF GENERAL RELEASE [Current Form for Transfers and Other Occasions]

**Release of Claims.** Franchisee and its Principals and their for themselves and on behalf of their respective guarantors, predecessors, parents, subsidiaries, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, heirs, executors, administrators, family members, successors, and assigns, and all other persons acting on their behalf or claiming under them (collectively referred to as the "Franchisee Related Parties") irrevocably and unconditionally release and forever discharge Franchisor, Franchisor's predecessors, parents, subsidiaries, and affiliates, and their respective officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent ("Claim" or "Claims"), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement.

[For California franchisees, add: Each of the Releasing Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The Releasing Parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in <a href="Section 1.">Section 1.</a> above, the Releasing Parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in <a href="Section 1.">Section 1.</a> above which the Releasing Parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

[For Washington franchisees, add: This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

#### 2. <u>Unknown Claims</u>.

- (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.
- (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in <u>Section 1</u>. above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

- 3. **Covenant Not to Sue**. Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.
- 4. **No Assignment of Claims**. Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1. of this Agreement and agrees to indemnify, defend, and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.
- 5. [OMIT FOR WASHINGTON FRANCHISEES; FOR USE IN STATES OTHER THAN WASHINGTON:] Full and Independent Knowledge. Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees or any of their representatives with regard to the subject matter, basis or effect of this Agreement.
- 6. <u>Compromise</u>. Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.

#### 7. **General Provisions**.

- (a) <u>Entire Agreement</u>. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.
- (b) <u>Authority</u>. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.
- (c) <u>Counterpart Execution</u>. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.
- (d) <u>Survival</u>. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

- (e) <u>Further Assurance</u>. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.
- (f) <u>Complete Defense</u>. Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of <u>Section 1</u>. of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.
- (g) <u>Attorneys' Fees</u>. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:	FRANCHISEE:
N2 Franchising, Inc.	[Insert name of Franchisee entity here]
By:	By:
Duane Hixon, CEO	Name:
Date:	Title:
	Date:

[Add signature blocks for any additional parties identified pursuant to Section 1.]

# EXHIBIT H-1 SAMPLE TRANSFER AGREEMENT AND CONSENT [Subject to change]

THIS TRANSFER AGREEMENT AND CONSENT ("Transfer Agreement") is made and entered into by and between N2 Franchising, Inc., a Delaware Corporation ("Franchisor"), [name of entity], a[n] [state] [type of entity] ("Transferor"), [name(s) of individual(s) who are named as Principals], [an] adult individual[s] ("Transferor Principals"), [name of entity], a[n] [state] [type of entity] ("Transferee"), and [names of individual(s) who are named as Principals in the new franchise agreement], [an] adult individual[s] ("Transferee Principals"). This Transfer Agreement will be effective upon execution by Franchisor ("Effective Date").

#### **RECITALS**

- A. Transferor is the Franchisee under that certain N2 Franchising, Inc. Franchise Agreement dated \_\_\_\_\_\_\_, 20\_\_\_ between Franchisor and Transferor ("Franchise Agreement") for the Territory listed in <u>Attachment B</u> to the Franchise Agreement, and Transferor Principals are personally bound by certain covenants set forth in the Franchise Agreement.
- B. Transferor operates its N2 publications business ("Franchisee's Business"), pursuant to the terms and conditions of the Franchise Agreement.
- C. Transferor desires to transfer, convey, and assign to Transferee all of its interest in and to the Franchise Agreement as provided for in this Transfer Agreement and to sell certain assets used in the operation of Franchisee's Business, as defined in that certain purchase agreement dated \_\_\_\_\_\_\_\_\_, 20\_\_\_ between Transferor as seller and Transferee as buyer ("Purchase Agreement"), such transaction to be effective as of the date specified in the Purchase Agreement or otherwise mutually agreed to by the parties ("Closing").
- D. Transferee desires to assume the duties and obligations of Transferor under a New Franchise Agreement (defined below), subject to the terms, conditions, and covenants contained herein.
- E. Franchisor desires to consent to the transfer contemplated by this Transfer Agreement, subject to the terms, conditions, and covenants set forth below.

NOW THEREFORE, FOR AND IN CONSIDERATION of the premises, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt, sufficiency, and adequacy of which are expressly acknowledged, the parties, each intending to be legally bound, do hereby agree as follows:

#### **AGREEMENT**

- 1. <u>Consent to Transfer.</u> Franchisor hereby consents to the transfer contemplated by this Transfer Agreement, provided that all of the terms and conditions set forth herein are met. All future transfers subject to the terms of the New Franchise Agreement remain subject to Franchisor's further consent.
- 2. <u>Payment of Fees</u>. Upon execution of this Transfer Agreement by Franchisor, Transferor must have paid Franchisor all sums owed to Franchisor by Transferor, including but not limited to the required transfer fee and all Returnable Commissions.

- 3. Termination of Franchise Agreement; Survival of Certain Covenants and Obligations. Except as provided for in Section 9. of this Transfer Agreement, upon execution of this Transfer Agreement by Franchisor, the Franchise Agreement will terminate automatically; however, Transferor and Transferor Principals, and each of them, remain bound by, and must comply with, those provisions of the Franchise Agreement, which by their nature survive termination and include, but are not limited to, confidentiality, non-solicitation, and noncompetition; payment of debts and taxes; indemnification; and the post-term obligations set forth in Section 11. Further, Transferor and Transferor Principals will remain bound by the dispute resolution provisions set forth in Section 14. of the Franchise Agreement.
- 4. <u>New Franchise Agreement</u>. Transferee and Transferee's Principals have read and understand Franchisor's current form of franchise agreement with related attachments, if any (collectively, "**New Franchise Agreement**"), and agree that on or before Closing, Transferee will enter into the New Franchise Agreement with Franchisor and execute or cause to be executed all attachments thereto, and Transferee Principals will each execute the Principals' Undertaking (<u>Attachment C</u> to the New Franchise Agreement).

## 5. Releases

- a. <u>By Franchisor</u>. Except for the obligations set forth in this Transfer Agreement, Franchisor irrevocably and unconditionally releases, acquits, and forever discharges Transferor and each Transferor Principal ("**Transferor Parties**") from all actions, causes of action, suits, debts, liens, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred), known or unknown, suspected or unsuspected, fixed or contingent, which Franchisor now has, owns, holds, claims to have, claims to own, or claims to hold, or at any time heretofore had owned, held, claimed to have, claimed to own, or claimed to hold against any Transferor Party arising out of or relating to the Franchise Agreement.
- By Transferor. Transferor and each Transferor Principal, for themselves and on behalf of all other persons or entities acting on any of their behalf or claiming under any of them ("Releasing Parties"), hereby irrevocably and unconditionally release, acquit, and forever discharge Franchisor, Franchisor's predecessors, parents, subsidiaries, and affiliates, their respective officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, past and present, and all persons acting by, through, under or in concert with any of them ("Franchisor Releasees") or any of them, from all actions, causes of action, suits, debts, liens, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred), known or unknown, suspected or unsuspected, fixed or contingent, which any of them now has, owns, holds, claims to have, claims to own, or claims to hold, or at any time heretofore had, owned, held, claimed to have, claimed to own, or claimed to hold (collectively, "claims") against each or any of the Franchisor Releasees, including but not limited to those arising out of or relating to the Franchise Agreement and the relationships created thereby, any other agreement between any Franchisor Releasee on the one hand and any Releasing Party on the other hand, and the offer or sale of the N2 publications franchise opportunity.

[INCLUDE THE FOLLOWING SENTENCE FOR TRANSFERS IN WASHINGTON ONLY: This release in paragraph 5(b) does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

INCLUDE THE FOLLOWING PARAGRAPH FOR TRANSFERS IN CALIFORNIA ONLY: [c. The parties to this Transfer Agreement expressly waive and relinquish all rights and benefits which any of them may now have or in the future have under and by virtue of California Civil

Code Section 1542. Each party does so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which is known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Sections 5.a. and 5.b., above, each party hereto expressly acknowledges that this Transfer Agreement is intended to include in its effect, without limitation, all claims described in Sections 5.a. and 5.b. above, which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Transfer Agreement contemplates the extinguishment of any such claims.]

- 6. <u>Covenant Not to Sue</u>. Each of the parties hereto covenant and agree for themselves and for their assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively, "Covenantors") not to participate in, bring, or allow to be brought on behalf of any Covenantor, any action, cause of action, suit, or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law, or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against one another arising out of, resulting from, or in any manner related to the matters released in <u>Sections 5.a. and 5.b</u>
- 7. [OMIT FOR WASHINGTON FRANCHISEES; FOR USE IN STATES OTHER THAN WASHINGTON:] Acknowledgments Regarding Releases. By affixing their signatures to this Transfer Agreement, the parties acknowledge that they have carefully read and fully understand the provisions of this Agreement, including, specifically, the release of claims set forth in Sections 5.a. and 5.b. of this Agreement, and that their release of such claims is knowing and voluntary. Transferor and each Transferor Principal acknowledges that it has had a reasonable opportunity to consult with an attorney prior to executing this Transfer Agreement and that the execution of this Transfer Agreement is voluntary. Transferor and each Transferor Principal further acknowledge that Franchisor has advised them to consult with an attorney before executing this Transfer Agreement. Each party represents that it does not rely, and has not relied upon, any representation or statement made by any of the Franchisor Releasees or any of the Transferor Parties, as the case may be, or any of their representatives, with regard to the subject matter, basis, or effect of this Agreement.
- 8. <u>Indemnity</u>. The parties acknowledge and agree that except for those matters relative to its consent, Franchisor has exercised no influence over and has taken no part in the transfer of the Franchise Agreement or Franchisee's Business. Accordingly, Transferor, each Transferor Principal, Transferee, and each Transferee Principal hereby agree to, and will at all times, indemnify and hold each of the Franchisor Releasees harmless, to the fullest extent permitted by law, from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted), which arises out of or is based upon the transactions contemplated by this Transfer Agreement. "Losses and expenses" includes, without limitation, all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, investigative fees, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, and other such amounts incurred in connection with such matters.
- 9. <u>Failure to Close</u>. If Closing does not take place as provided herein, then Franchisor's approval of the transfer contemplated by this Transfer Agreement will be deemed withdrawn, unapproved, and without any force or effect, and Transferor and Transferor Principals will remain bound by the terms of the Franchise Agreement, which will remain in full force and effect.
- 10. <u>Notices</u>. Any and all notices required or permitted under this Transfer Agreement must be in writing and personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by prepaid facsimile (provided that the sender

confirms the facsimile by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission) to the parties at the following addresses until a different address is designated by written notice to the other party:

Notices to Franchisor:	N2 Franchising, Inc.
	2093 Philadelphia Pike #3202
	Claymont, DE 19703
	Attention: General Counsel
	Facsimile: 910-202-1876
Notices to Transferor	
and Transferor Principals:	
-	
	Attention:
	Facsimile:
	Telephone:
Notices to Transferee	
and Transferee Principals:	
and Transferee Timespais.	
	Attantion
	Attention:
	Facsimile:
	Telephone:

- 11. <u>Governing Law</u>. This Transfer Agreement will be interpreted and construed under the laws of the state of Texas, without regard to the application of Texas conflict of law rules.
- 12. <u>Severability</u>. Except as expressly provided to the contrary herein, each portion, section, part, term, and provision of this Transfer Agreement will be considered severable; and if, for any reason, any portion, section, part, term, or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such determination will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms, or provisions of this Transfer Agreement that may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms, or provisions will be deemed not to be part of this Transfer Agreement; and such portion, section, part, term, or provision as similar as possible to that which was severed will automatically be added, which addition will be valid and not contrary to or in conflict with any law or regulation.
- 13. <u>Dispute Resolution; Venue</u>. The parties hereto hereby irrevocably submit themselves to the jurisdiction of the state and federal district courts located in the state, county, or judicial district in which Franchisor's principal place of business is located, and the parties each waive all questions of personal jurisdiction for the purpose of carrying out this provision. The parties further agree that the venue for any proceeding relating to or arising out of this Transfer Agreement will be the state and federal district courts located in the county or judicial district in which Franchisor's principal place of business is located; provided however, that Franchisor may bring any action for injunctive or other extraordinary relief in any state or federal district court that has jurisdiction.

- 14. <u>Counterpart Execution; Facsimile Signatures</u>. This Transfer Agreement may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument. Facsimile signatures will be considered effective for execution purposes.
- 15. <u>Further Assurances</u>. Transferor, Transferor Principals, Transferee, and Transferee Principals hereby irrevocably agree to execute, deliver, or cause to be executed and delivered any and all other documents that may now or hereafter be necessary to consummate the transactions contemplated hereby, as reasonably requested by Franchisor.
- 16. <u>Capitalized Terms</u>. Initially capitalized terms used in this Transfer Agreement have the meanings given to them in the Franchise Agreement, unless otherwise defined herein.

IN WITNESS WHEREOF, the parties hereto have executed this Transfer Agreement on the dates set forth below.

TRANSFEROR:	TRANSFEREE:
[entity name]	[entity name]
a[n] [state] [type of entity]	a[n] [state] [type of entity]
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:
TRANSFEROR PRINCIPALS:	TRANSFEREE PRINCIPALS:
By: [Name], an Individual	By: [Name], an Individual
[Name], an Individual	[Name], an Individual
Date:	Date:
Franchisor hereby consents to the foregoing t	ransfer on the term described in this Transfer Agreement.
FRANCHISOR: N2 Franchising, Inc.	
a Delaware Corporation	
By:	
Name:	<u> </u>
Title:	<u></u>
Date:	

# EXHIBIT H-2 SAMPLE ASSIGNMENT AND ASSUMPTION AGREEMENT [Subject to change]

This Assignment and Assumption Agreement and Amendment to Franchise Agreement ("Agreement") is entered into by and between N2 Franchising, Inc., a Delaware Corporation ("Franchisor"), [Assignor Name], an individual resident of [State] ("Assignor"), and [Assignee Name], a [state] [corporation or limited liability company] ("Assignee"). This Agreement will be effective upon execution by Franchisor ("Effective Date").

#### **BACKGROUND**

- A. Franchisor and Assignor entered into that certain franchise agreement dated [Franchise Agreement Date], ("Franchise Agreement"), pursuant to which Assignor obtained the right and undertook the obligation to operate an independently owned and operated franchised business ("Franchised Business").
- B. Assignor is the sole owner of Assignee and desires to assign to Assignee all of Assignor's rights and obligations under the Franchise Agreement and Assignor's rights and title to the Franchised Business.
- C. Franchisor has agreed to consent to the assignment and assumption set forth in this Agreement, pursuant to the terms and conditions set forth herein.

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

#### **AGREEMENT**

- 1. <u>Assignment</u>. Assignor hereby assigns and transfers to Assignee all of its right, title, and interest in and to the Franchise Agreement as of this Agreement's Effective Date.
- 2. <u>Assumption</u>. Assignee hereby assumes all of Assignor's obligations, agreements, commitments, duties, and liabilities under the Franchise Agreement and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments, and duties of Assignor under the Franchise Agreement with the same force and effect as if the Franchise Agreement had been originally written with Assignee as Franchisee.
  - 3. Amendment to Franchise Agreement.
    - a. All references to [Assignor Name] as Franchisee in the Franchise Agreement are hereby deleted and replaced with [Assignee Name].
    - b. Attachment E to the Franchise Agreement is hereby deleted in its entirety and replaced with the Amended Attachment E attached hereto.
- 4. <u>Representations and Warranties</u>. Assignee hereby represents and warrants that the ownership interests in Assignee are accurately and completely described in the table set forth in Amended Attachment E attached hereto, and that each person listed in that table will sign the Principals' Undertaking attached hereto as <u>Schedule 1</u>.

Release. Assignor, for itself and on behalf of its guarantors, predecessors, parents, 5. affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, heirs, executors, administrators, family members, successors, and assigns, and all other persons acting on their behalf or claiming under them ("Assignor Releasing Parties"), hereby release, acquit, and forever discharge Franchisor, Franchisor's predecessors, parents, subsidiaries, and affiliates, and their present and former officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, and all persons acting by, through, under or in concert with any of them ("Released Parties"), from all claims and damages whether known or unknown, which Assignor Releasing parties, or any of them, have, had, or claim to have against Released Parties, or any of them, including but not limited to claims arising out of or relating to the performance or non-performance of the Franchise Agreement or the relationships created thereby, this Agreement, and/or any other agreement between Assignor, Assignor's Principals, and/or entity owned in whole or in part by Assignor or Assignor's Principals on the one hand and Franchisor and/or any of its affiliates on the other hand. Excepted from this release are any contractual obligations under this Agreement, which remain in full force and effect.

[INCLUDE THE FOLLOWING SENTENCE FOR TRANSFERS IN WASHINGTON ONLY: This release in paragraph 5 does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

[Assignor Releasing Parties, and each of them, expressly waive and relinquish all rights and benefits which any of them may now have or in the future have under and by virtue of California Civil Code Section 1542. Assignor Releasing Parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Section 6. above, Assignor Releasing Parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 6. above, which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.] [Include if Assignor is California resident.]

- 6. <u>Covenant Not to Sue.</u> Assignor hereby covenants and agrees for itself and for its assigns, heirs, representatives, agents, family members, and all other persons acting on its behalf or claiming under them (collectively, "Covenantors") not to participate in, bring, or allow to be brought on behalf of any Covenantor, any action, cause of action, suit, or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law, or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against any Released Party arising out of, resulting from, or in any manner related to the matters released in <u>Section 6</u>.
- 7. <u>Unknown/Unanticipated Claims</u>. Assignor acknowledges there is a risk that, subsequent to the execution of this Agreement, it will discover, incur, or suffer claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated claims which arose from, are based upon, or are related to the Franchise Agreement or some part or aspect thereof, which if known by it on the date this Agreement is being executed may have materially affected its decision to execute this Agreement. Assignor acknowledges and agrees that by reason of the releases contained in <u>Section 6</u>, above, it is assuming the risk of such unknown and unanticipated claims and agree that its release contained in this Agreement applies thereto.

- 8. [OMIT FOR WASHINGTON FRANCHISEES; FOR USE IN STATES OTHER THAN WASHINGTON:] Acknowledgments Regarding Releases. By affixing its signature to this Agreement, Assignor acknowledges that it has carefully read and fully understands the provisions of this Agreement, including, specifically, the release of claims set forth in Sections 6. of this Agreement, and that its release of such claims is knowing and voluntary. Assignor acknowledges that it has had a reasonable opportunity to consult with an attorney prior to executing this Agreement and that it has executed this Agreement voluntarily. Assignor acknowledges that Franchisor has advised it to consult with an attorney before executing this Agreement. Assignor represents that it does not rely, and has not relied upon, any representation or statement made by any of the Released Parties or any of their representatives with regard to the subject matter, basis, or effect of this Agreement.
- 9. <u>Governing Law</u>. This Agreement is entered into in the State of Texas and will be construed and interpreted in accordance with its laws, without regard to its conflict of law principles.
- 10. <u>Construction</u>. Capitalized terms have the meanings given to them in the Franchise Agreement, unless otherwise defined in this Agreement.
- 11. <u>Enforceability</u>. If any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 12. WAIVER OF JURY TRIAL. THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM AGAINST THE OTHER, AND RELATING TO THIS AGREEMENT AND/OR THE FRANCHISE AGREEMENT, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.
- 13. <u>Notices</u>. Any notices required or permitted to be given hereunder will be in accordance with the notice provisions set forth in the Franchise Agreement.

ASSIGNOR: [Assignor Name]	ASSIGNEE: [Assignee Name]
By:	By:
Franchisor hereby consents to the foregoing assignment <b>FRANCHISOR:</b> N2 Franchising, Inc. a Delaware Corporation	
By: Name: Title: Date:	

Intending to be legally bound, the parties have executed this Agreement on the dates set forth below.

# AMENDED ATTACHMENT E STATEMENT OF OWNERSHIP INTERESTS AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Franchisee and a description of the nature of their interest (the Owners):

Name	Ownership Interest in Franchisee	Nature of Interest

2. Undertaking:	The following is a	list of all of Franch	isee's Principals	who are signing t	he Principals'
3. day-to-day ope	The following namerations and manager	ned Principal or Ope ment of the Franchis		r is the person resp	oonsible for the

# Schedule 1- See Attachment C to the Franchise Agreement

### EXHIBIT I LIST OF STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws.

### **CALIFORNIA**

Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 866-275-2677

#### **CONNECTICUT**

Cynthia Antanaitis Assistant Director Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230

#### <u>FLORIDA</u>

Florida Department of Agriculture & Consumer Services Attn: Finance & Accounting 407 South Calhoun Street Tallahassee, Florida 32399-0800

#### **HAWAII**

Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813

#### **ILLINOIS**

Chief, Franchise Bureau Attorney General's Office 500 South Second Street Springfield, Illinois 62706

#### **INDIANA**

Securities Commissioner Indiana Securities Division 302 West Washington Street Room E-111 Indianapolis, Indiana 46204

#### **MARYLAND**

Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020

#### **MICHIGAN**

Michigan Attorney General's Office Consumer Protection Division Attn.: Franchise Section 525 West Ottawa Street Lansing, Michigan 48933

#### **MINNESOTA**

Minnesota Department of Commerce Securities & Franchise Registration 85 75<sup>th</sup> Place East Suite 280 Saint Paul, Minnesota 55101-2198

#### **NEBRASKA**

Nebraska Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, Nebraska 68508

#### **NEW YORK**

New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 212-416-8222

#### NORTH DAKOTA

Franchise Examiner North Dakota Securities Department 600 East Boulevard State Capitol 5<sup>th</sup> Floor, Dept. 414 Bismarck, North Dakota 58505-0510

### RHODE ISLAND

Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

#### SOUTH DAKOTA

Division of Insurance Securities Regulations 124 S. Euclid, Suite 104 Pierre, South Dakota 57501

# **TEXAS**

Texas Secretary of State
Statutory Document Section
P.O. Box 12887
Austin, Texas 78711

#### **UTAH**

Director, Department of Commerce Division of Consumer Protection 160 East 300 South SM Box 146204 Salt Lake City, Utah 84111-6704

# **VIRGINIA**

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

# **WASHINGTON**

Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

#### **WISCONSIN**

Franchise Office Wisconsin Securities Commission P.O. Box 1768 Madison, Wisconsin 53701

# EXHIBIT J AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state offices or agents that require that we appoint them as our agents to receive service of process when we sell franchises in their states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

#### **CALIFORNIA**

Commissioner of Financial Protection and Innovation, Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344

#### **HAWAII**

Commissioner of Securities, Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813

#### **ILLINOIS**

Illinois Attorney General 500 South Second Street Springfield, Illinois 62706

#### <u>INDIANA</u>

Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204

#### **MARYLAND**

Maryland Securities Commissioner Maryland Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020

#### **MICHIGAN**

Securities Director, Office of Financial & Insurance Regulation 525 West Allegan 1st Floor, Constitution Hall Lansing, Michigan 48909

#### **MINNESOTA**

Commissioner of Commerce 85 75<sup>th</sup> Place East, Suite 280 Saint Paul, Minnesota 55101

#### **NEW YORK**

Secretary of State 99 Washington Avenue Albany, NY 12231

#### NORTH DAKOTA

Securities Commissioner, North Dakota Securities Department 600 East Boulevard State Capitol, 5<sup>th</sup> Floor, Dept. 414 Bismarck, North Dakota 58505-0510

#### RHODE ISLAND

Director, Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex - Building 69-1 Cranston, Rhode Island 02920

#### **SOUTH DAKOTA**

Director, Division of Insurance Securities Regulations 124 S. Euclid, Suite 104 Pierre, South Dakota 57501

#### <u>VIRGINIA</u>

Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219

#### **WASHINGTON**

Director of Financial Institutions Securities Division 150 Israel Rd. S.W. Tumwater, Washington 98501

#### WISCONSIN

Commissioner of Securities, Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703

# EXHIBIT K STATE-SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

#### CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

- 1. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.
- 2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT <u>AT LEAST 14 DAYS</u> PRIOR TO EXECUTION OF AGREEMENT.
- 3. Item 3 of the disclosure document is supplemented by the following language:

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

- 4. Item 17 of the franchise disclosure document is supplemented by the following language:
- i. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- ii. 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.*).
- iii. 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.
- iv. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- v. The franchise agreement requires binding arbitration. The arbitration will occur in the city in which Franchisor maintains its principal business office at the time of the arbitration with the costs being borne by initially be paid equally by the two sides to the arbitration. The arbitrator must award to the prevailing party the reasonable costs and fees, including attorneys' fees, incurred in the arbitration. 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.
- vi. The Franchise Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.
- 5. 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 <a href="https://www.dfpi.ca.gov">www.dfpi.ca.gov</a>.

- 6. You must sign a general release if you transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
- 7. Corporations Code 31512 provides that: "Any conditions, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of this law or any rule or order hereunder is void."

The Franchise Agreement requires a shortened statute of limitations period. Pursuant to Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code Sections 31303 and 31304.

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
  - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
  - (d) Violations of any provision of this division.
- 8. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A FRANCHISE DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.
- 9. The financial performance representation figures do not reflect costs of sales, operating expenses, or other costs and 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. Franchises or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.
- 10. A contract which restrains a franchise from engaging in a lawful trade or business is to that extent void under California Business & Professions Code section 16600.
- 11. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act.
- 12. 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.
- 13. The Franchisor determines the price of your service. This may be price fixing and a violation of the California's Cartwright Act.

#### HAWAII ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS 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, 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, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

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

#### ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

- 1. Illinois law governs the Franchise Agreement.
- 2. In conformance with section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.
- 3. 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.
- 4. In conformance with section 41 of the Illinois Franchise Disclosure Act, 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.
- 5. 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.
- 6. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

#### MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. Item 5 of the disclosure document is supplemented with the following:

Even though we have waived payment of the initial franchise fee, the Maryland Securities Division has required us to defer your obligation to pay all initial franchise fees, including payments for goods and services received from us, until we have performed our pre- opening obligations and you begin operating the Franchised Business. Notwithstanding the foregoing required disclosure, our waiver of the initial franchise fee remains in full force and effect.

2. The Summary column for Item 17.v., "Choice of Forum" (Franchise chart) is supplemented with the following:

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law to the extent required by such law, unless preempted by the Federal Arbitration Act.

3. Item 17.c., "Requirements for you to renew or extend" (Franchise Agreement chart) and Item 17.m. "Conditions for our approval of transfer" (Franchise Agreement chart) are amended by the addition of the following:

The Code of Maryland Regulations, COMAR 02.02.08.16L., states that a general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. This may affect the enforceability of certain provisions in the Franchise Agreement relating to renewal, sale, assignment, or transfer of the Franchise Agreement.

4. Item 17 is amended by adding the following to the end of Item 17:

Any claims that you may have under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. The following is added as the last paragraph of Item 17:

A provision in the Franchise Agreement which terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

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.

#### MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. The following is added to Item 13 of the disclosure document:

We will protect your right to use the trademarks, service marks, trade names, logos, or other commercial symbols or will indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the marks to the extent required by Minnesota law.

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

Under Minnesota law, and except in certain specified cases, we must give you 90 days notice of termination with 60 days to cure. We also must give you at least 180 days notice of our intention not to renew a franchise and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Franchise Agreement is inconsistent with Minnesota law, Minnesota law will control.

- 3. Under Minnesota Statutes, Section 80C.21, to the extent that any condition, stipulation, or provision contained in the Franchise Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchise Law, such condition, stipulation, or provision may be void and unenforceable under the non-waiver provision of the Minnesota Franchise Law.
- 4. Minnesota Rule 2860.4400(J) prohibits the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. This does not bar an exclusive arbitration clause. In addition, nothing the disclosure document or agreement can abrogate or reduce any of franchisee's right as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- 5. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release from liability imposed by Minnesota Statutes, Section 80C.01 to 80C.22. This does not bar the voluntary settlement of disputes.
- 6. 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.

#### NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT I OR YOUR PUBLIC LIBRARY FOR RESOURCES OR 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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 THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, the following applies 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 that is 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 ten years 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.

3. 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.

- 4. 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.
- 5. 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.

- 6. 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.
- 7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

#### NORTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. Item 5 of the Franchise Disclosure Document is hereby supplemented by the following:

The North Dakota Securities Department has required that we defer your obligation to pay initial fees under the Franchise Agreement until your Franchised Business is open and we have met our initial obligations. Therefore, during the period that such fee deferral requirement is imposed on us ("Fee Deferral Period"), you will not be required to pay the initial fees under the Franchise Agreement until you begin operating your Franchised Business and we have met our initial obligations. Immediately upon notice from us that the Fee Deferral Period has ended, you must pay the full, initial franchise fee and all other initial fees and amounts as provided in the Franchise Agreement.

2. Item 17.w. is amended by adding the following to the "Summary" column opposite category w. "Choice of law":

If you bring any claims relating to the Franchise Agreement and/or the relationship between you and us, if you independently meet the jurisdictional requirements of North Dakota, then North Dakota will apply to such claims.

3. 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.

#### SOUTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

- 1. Item 5 of the disclosure document is supplemented with the following:
  - Even though we have waived payment of the initial franchise fee, the South Dakota Department of Labor Relations Division of Securities has required us to defer your obligation to pay the initial franchise fee until such time as the Franchised Business is operational. Notwithstanding the foregoing required disclosure, our waiver of the initial franchise fee remains in full force and effect.
- 2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. Item 5 of the disclosure document is supplemented with the following:

Even though we have waived payment of the initial franchise fee, the Virginia State Corporation Commission's Division of Securities and Retail Franchising has required us to defer your obligation to pay the initial franchise fee and other initial payments until we have performed our pre-opening obligations under the Franchise Agreement. Notwithstanding the foregoing required disclosure, our waiver of the initial franchise fee remains in full force and effect.

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the disclosure document is supplemented by the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

#### WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

#### RISK FACTOR

<u>Use of Franchise Brokers</u>. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchise may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

Franchisees who receive financial incentives to refer franchise prospects to Franchisor may be required to register as franchise brokers under the laws of the Washington State.

No more than one referral fee will be paid to franchisees living in or operating a Franchised Business within the state of Washington, and no franchisee, regardless of location, will receive more than one referral fee for referrals made to franchisees living in or operating a Franchised Business in Washington.

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.

The undersigned doe	es hereby acknowledge receipt of the	his addendum.
Dated this	day of	
FRA	ANCHISOR	FRANCHISEE

# INDIANA, MICHIGAN, RHODE ISLAND, AND WISCONSIN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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.

#### **State Effective Dates**

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

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

State	Effective Date
California	October 21, 2024
Hawaii	pending
Illinois	pending
Indiana	pending
Maryland	pending
Michigan	pending
Minnesota	pending
New York	pending
North Dakota	October 11, 2024
Rhode Island	October 24, 2024
South Dakota	October 11, 2024
Virginia	October 15, 2024
Washington	pending
Wisconsin	October 11, 2024

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.

#### ITEM 23 RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If N2 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa requires us to provide you the disclosure document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If N2 Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and any applicable state agency (as listed in Exhibit I to this disclosure document).

The name, principal business address, and telephone number of the franchise seller offering the franchise is provided in the attached Franchise Sellers' Information document.

Issuance Date: October 12, 2024

Our agents for service of process are identified on Exhibit J to this disclosure document. Our agent for service of process in Delaware is National Registered Agents, Inc., 1209 Orange Street, Wilmington, Delaware, 19801.

I received a disclosure document dated October 12, 2024. The disclosure document included the following Exhibits:

Exhibit A – Financial Statements Exhibit G – Form of General Release Exhibit B – Franchise Agreement (with Exhibit H-1 – Sample Transfer Agreement Attachments and State Specific Amendments) and Consent Exhibit C – List of Franchised Outlets Exhibit H-2 – Sample Assignment and Exhibit D – List of Franchisees Who Have Left Assumption Agreement the System Exhibit I – List of State Administrators Exhibit J – Agents for Service of Process Exhibit E – Franchise Brand Standards Manual Exhibit K – State Specific Addenda to Table of Contents Exhibit F – AD Services Agreement Franchise Disclosure Document Dated: Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

Printed Name
of\_\_\_\_\_\_\_
(a\_\_\_\_\_\_\_\_Corporation)
(a\_\_\_\_\_\_\_Limited Liability Company)

(Keep this page for your records.)

# **Franchise Sellers' Information**

Check the applicable box for the name, principal business address, and telephone number of the franchise seller offering the franchise.

Name	Principal Business Address	Telephone Number
Abigail Masch	5327 Whitmore St, Fulshear, TX 77441	832-277-5610
Agnes Martin	3722 Willow Springs Dr., Manvel, TX 77578	281-727-8898
Allison Kapellusch	30030 Royal Mustang Circle, Fair Oaks Ranch, TX 78015	765-588-7155
Angel Groves	9017 Salem Church Rd, Hahira, GA 31632	470-522-6427
Angie Sampson	3080 Laminar Drive, Timnath, CO 80547	970-219-7506
Annie Bendalin Davenport	7035 Helsem Way, Dallas, TX 75230	214-354-1403
Ashley Streight	1420 S Wichita, Wichita, KS 67213	316-253-7900
Bethany Mascena Tracy	2093 Philadelphia Pike, Claymont, DE 19703-2424	401-255-0115
Bob Coburn	220 Mountain Laurel Rd., Daniels, WV 25832	304-860-0099
Catherine Groves	9017 Salem Church Rd, Hahira, GA 31632	770-377-3097
Cathy Sine	26595 Weston Hills Dr, Murrieta, CA 92563	951-294-2992
Chad Jeske	13790 Dublin Road, Apple Valley, MN 55124	651-442-8466
Chrissy Snell	8605 S. 218th Ave, Buckeye, AZ 85326	480-255-8958
Dana Moler	28919 Chartwell Lane, Fair Oaks Ranch, TX 78015	830-331-0100
Danielle Harbour	48 Logans Run, Attleboro, MA 02703	781-752-9802
Dave Cooke	15575 Declaration Dr, Westfield, IN 46074	636-744-6131
Deena Nystrom	2000 Dockside Dr, Greenwood, IN 46143	317-513-4981
Dennis Jankowski	727 Lake Avenue, Lyndhurst, NJ 07071	201-446-6564
Dina Russo	2520 Elcor Drive, New Kensington, PA 15068	412-576-5657
Doug Couillard	241 Hampstead Way, Marshfield, MA 02050	508-934-6904
Doug Miller	14625 Glade Hill Park Way, Winter Garden, FL 34787	407-451-0491
Duane Hixon	2093 Philadelphia Pike, Claymont, DE 19703-2424	910-202-0917
Earl Seals	2093 Philadelphia Pike, Claymont, DE 19703-2424	910-202-0917
Eleni Gerding	3235 SE 52nd Ave, Portland, OR 97206	503-816-1070
Emily Francis	2312 Chetwood Circle, Timonium, MD 21093	667-216-5998
Gabe Szakal	28214 Sutherland St, Southfield, MI 48076	313-969-1564
Harold Cooper	1018 Crestmont Rd, Hurricane, WV 25526	303-539-9136
Heidi Platusic	14056 Honey Tree Drive, Carmel, IN 46032	317-714-4361
Jason Pattee	35223 Queen Anne's Way, Avon, OH 44011	440-655-4870
Jason Smith	1600 Covered Bridge Court, Gunter, TX 75058	210-501-3161
Jeannine Johnson	82 Wysteria Drive, Richmond Hill, GA 31324	508-612-7985
Jenny Ladd	402 Milner Ct, Daniel Island, SC 29492	843-343-3938
T 1 A1	Level 19 / China Building, 29 Queen's Road Central, Hong	(02) 3437 - 0000 local
Jesselyn Altura	Kong	7011
JP Hamel	1205 Sunnyfield Lane, Scotch Plains, NJ 07076	201-410-8350
Julaine Davis	236 Old Post Road, Fairfield, CT 06824	646-325-3588
Kate Silberfeld	1403 S 4th St, Wilmington, NC 28401	603-493-8909
Kathlene Clarke	208 Richmond Rd, Litchfield, ME 04350	207-907-6978
Katie Redding	14437 Cottingham Ct, Baton Rouge, LA 70817	225-603-4700
Kaylie Oppedisano	433 Woodford Dr, Debary, FL 32713	407-687-3224

Name	Principal Business Address	Telephone Number
Keith Sewell	2204 Stonebridge Rd, Dothan, AL 36301	334-791-9732
Kelly Winnik	579 Blue Sage Blvd, Lincoln, NE 68521	402-770-9598
Kevin Baggs	2093 Philadelphia Pike, Claymont, DE 19703-2424	919-322-3978
Kimberly Williams	3427 Timberbrook Way, Eugene, OR 97405	541-954-3163
Kristin Holmes	8211 S. 16 Street, Lincoln, NE 68512	402-617-6350
Lisa Jegen	1605 Sand Creek Drive, Chesterton, IN 46304	312-805-0204
Lisa Masquelier	4337 Liam Dr, Frisco, TX 75034	972-838-3811
Lori Mycoskie	3315 Vista Lake Circle, Mansfield, TX 76063	682-219-4890
Lynn Faherty Zimmerman	30 King Road, Bedford, NH 03110	917-482-6503
Margee Isaacson	16935 Painter Road, Leo, IN 46765	260-443-9294
Maria Isaacson	16935 Painter Road, Leo, IN 46765	260-443-6503
Mark Harbour	48 Logan's Run, Attleboro, MA 02703	508-838-4621
Mark Walter	54 Beechnut Road, Westwood, MA 02090	781-414-0437
Mary Beth Jones	2093 Philadelphia Pike, Claymont, DE 19703-2424	847-903-7554
Merritt Rechichar	1703 College Ave, Anderson, SC 29621	864-314-4546
Michelle Davis	17717 Ptarmigan Lane, Edmond, OK 73012	405-826-8255
Michelle Rails	2221 Edinburgh Way, Garland, TX 75040	214-455-8818
Mike Cozart	67 Marko Ln, Brooklyn Heights, OH 44131	440-315-9082
Molly Cobane	21099 Prairie Baptist Rd, Noblesville, IN 46060	859-433-2215
Natalie Jostes	1107 Jefferson Dr, Bolingbrook, IL 60490	630-673-7616
Nick Metheny	145 Stony Creek Overlook, Noblesville, IN 46060	317-692-9900
Paul Oppedisano	433 Woodford Dr, Debary, FL 32713	703-581-5943
Phil Roseman	6191 Riverwalk Lane, Unit 4, Jupiter, FL 33458	646-789-5750
Rhonda Meeker	7500 Roselake Drive, Dayton, OH 45414	937-367-7757
Rik Franke	23246 Lieutenant Ave, Foley, AL 36535	608-386-8794
Ryan Derfler	807 Baltimore Pike, Chadds Ford, PA 19317	717-222-9547
Sheila Kilpatrick	1860 Wolfsnare Rd, Virginia Beach, VA 23454	757-646-5869
Stephanie Pickett	8605 Raintree HL, Fair Oaks Ranch, TX 78015	214-418-8319
Steve Hirner	2460 Westchester Ct, Aurora, IL 60506	630-209-0884
Tamera Ahner	331 West Las Cruces Avenue, Las Cruces, NM 88005	575-654-5622
Tammi Joseph	3110 N Ridge Rd Apt 523, Wichita, KS 67205	316-644-7703
Tammy Moloy	2712 Belknap Beach Rd, Prospect, KY 40059	502-889-6458
Theresa Cooper	1018 Crestmont Rd, Hurricane, WV 25526	304-415-1386
Trisha Spindler	4746 W Princetown Ln, Coeur D'Alene 83815	619-865-3028
Tristan Manning	5719 80th St E, Puyallup, WA 98371	360-626-3163
Wendy Franke	23246 Lieutenant Ave, Foley, AL 36535	608-386-8795
Whitney Chism	2093 Philadelphia Pike, #3202, Claymont, DE 19703	214-387-2400
	2002 Imagespan I me, 110202, empirion, DE 17703	21. 557 2100

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Issuance Date: October 12, 2024

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(Sign and return this page to N2 Franchising, Inc.)

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