

FRANCHISE DISCLOSURE DOCUMENT



CITY BREW
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®

CBT Ventures, LLC

a Massachusetts limited liability company
675 VFW Parkway, Suite 257
Chestnut Hill, Massachusetts 02467
(888) 623-8687
www.citybrewtours.com
Franchising@CityBrewTours.com

The franchise offered is for the establishment and operation of educational guided tours specializing in breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events for sale to the public.

The total investment necessary to begin operation of a City Brew Tours Business ranges from \$76,200 to \$99,500. This includes \$38,000 that must be paid to the franchisor.

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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Chad Brodsky, 675 VFW Parkway, Suite 257, Chestnut Hill, Massachusetts 02472, (888) 623-8687, franchising@citybrewtours.com.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 an 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 ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 1, 2023

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 I and J.
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 H 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 City Brew Tours 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 City Brew Tours franchisee?	Item 20 or Exhibits I and J list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in the Commonwealth of Massachusetts. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Massachusetts than in your own state.

2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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.

**THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

Michigan Addendum to the 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 that 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, logo type, 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 obligation 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 OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 335-7567.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, the words “we,” “our” or “us” refer to CBT Ventures, LLC the franchisor of this business. “You” and “your” refers to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure document also apply to your owners and will be noted.

CBT Ventures, LLC (“**CBTV**”) is a Massachusetts limited liability company that was formed on March 21, 2019. Our principal business address is 675 VFW Pkwy, #257, Chestnut Hill, MA, 02467. Our agents for service of process are listed in Exhibit A. We do business under our company name and under the trade and service mark CITY BREW TOURS® and associated logos. We have offered franchises since May 28, 2019 in the United States. We do not engage in other business activities and have not offered franchises in other lines of business. We do not operate a business of the type being franchised.

Our affiliate and predecessor, CBT Management, LLC (“**CBTM**”) is a Massachusetts limited liability company that was formed on October 29, 2016. Its principal business address is the same as ours. CBTM formerly offered franchises similar to those offered in this disclosure document in Canada from February 2018 to May 1, 2019, at which point it assigned us its right to offer franchises. CBTM no longer offers franchises. CBTM has never offered franchises in other lines of business and has never operated a business of the type being franchised. You may be required to purchase products and services from CBTM.

Our former affiliate, Burlington Brew Tours LLC (“**BBT**”), a Vermont limited liability company, was formed on June 3, 2008. From June 2008 to October 2016 BBT operated businesses of the same type being franchised. From June 2008 to May 2019 BBT was the owner of our principal trademark, which it assigned to CBT Group, LLC on April 4, 2019. In October of 2016, BBT changed its name to CBT Leasing Services, LLC (“**CBTL**”). Its principal office address is the same as ours. CBTL owns all of the vehicles used in the operation of the Corporate Entities (defined below) and leases them back to the Corporate Entities (defined below) does not offer franchises similar to those offered in this disclosure document and has never offered franchises in any other lines of business. You will not be required to purchase products and services from CBTL.

Our parent, CBT Group, LLC (“**CBTG**”), is a Delaware limited liability company that was formed on April 4, 2019. Its principal address is 675 VFW Parkway, #257, Chestnut Hill, Massachusetts 02467, although CBTG is a group that operates virtually. As of the date of this disclosure document, CBTG currently operates 12 businesses of the same type being franchised through commonly owned and controlled entities (the “**Corporate Entities**” or “**Corporate Entity**”) that do not offer franchises, have never offered franchises and from which you will not be required to purchase products and services. Except for the Corporate Entity operating in Portland, Oregon, prior to October 2016, BBT operated the Corporate Entities and from October 2016 to April 2019 the Corporate Entities each operated the locations independently. CBTG also owns CBTM and CBTL and, as of April 4, 2019, owns our principal trademarks. CBTG does not offer franchises similar to those offered in this disclosure document and has never offered franchises in any other lines of business. You will not be required to purchase products and services from CBTG.

On October 17, 2019, CBTG acquired a 90% ownership interest in Brewvana, LLC, an Oregon limited liability company, which has offered brewery tours in Portland, Oregon since 2010. As a part of that transaction, CBTG purchased the name and trademark rights to “Brewvana.” In November 2019, CBTG assumed the operation of Brewvana’s brewery tours business in Portland and has been offering brewery tours in that city under one of the Corporate Entities. In 2020, CBTG began offering online

homebrew classes (no longer offered), equipment, and beer boxes under the name and trademark “**Brewvana**”. These services and goods are not a part of the franchise offering and are not available to CBTV franchisees.

In August of 2020, CBTG formed Unboxed Enterprises LLC (“**Unboxed**”), which is an affiliate of CBTV. Unboxed is a provider of virtual events and promotional materials. The products and services of Unboxed are not available to CBTV franchisees.

The Franchise

We offer franchises for businesses operated under the name “City Brew Tours” (“**City Brew Tours Businesses**”), which are established and operated using the format and system we developed (the “**System**”). Some of the features of our System include the common use and promotion of the name “**CITY BREW TOURS®**” and other service marks, trademarks, trade names, logos, emblems, signs, slogans, insignia and other commercial symbols that we may designate from time to time for the operation of City Brew Tours Businesses using the System (collectively, the “**Marks**”). The System also includes distinctive standards and specifications for products, equipment, materials, and supplies; specifications, and procedures for operations and customer service standards; purchasing and sourcing procedures; training and assistance; and marketing and promotional programs. We may periodically change and improve the System.

From your City Brew Tours Business you will offer and provide products and services to the general public with an Authorized Territory (as defined below), which is subject to our written approval. You will operate your City Brew Tours Business at all times complying with the Franchise Agreement and our confidential Electronic Operations Manual (the “**Electronic Operations Manual(s)**”) that you will be provided electronic access to after you sign your Franchise Agreement.

We offer to enter into franchise agreements (“**Franchise Agreement**” included as Exhibit E to this Disclosure Document) with qualified legal entities and persons that wish to establish and operate a City Brew Tours Business.

Industry-Specific Regulations

Your City Brew Tours Business will be subject to national, state, and local regulations that apply to all businesses, including Federal Motor Carrier Safety Administration regulations, the Americans with Disabilities Act, wage and hour laws, occupational health and safety, equal employment opportunity, taxes, hazardous material communication to employees, and business licensing requirements. In addition, you must comply with all local ordinances, zoning laws and regulations applicable.

You are responsible to ensure your compliance with all applicable local, county, state and federal laws and regulations. You should consult with your attorney and local, county, state and federal government agencies concerning these and other laws and ordinances that may affect the operation of a City Brew Tours Business before your sign a Franchise Agreement. It is your, and only your, responsibility on a continuous basis to investigate and satisfy all local, county, state and federal laws as they vary from place to place and may change from time to time.

Additionally, COVID-19 has disrupted and continues to disrupt local, regional and global economics and businesses. As a result of the COVID-19 pandemic, a variety of establishments are required to follow all applicable guidelines announced by governmental entities. You are solely responsible for compliance with those regulations.

Market and Competition

The market for your City Brew Tours Business is largely undeveloped, but guided tours specializing in breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events for sale to the public are part of the broad and growing sector of tours and activities. The average customer of your City Brew Tour Business will be an adult of legal drinking age who is interested in learning about independent craft beer or the process of making beer. Your City Brew Tour Business may be seasonal depending on your location or territory, but sales of corporate and private tours can help to alleviate seasonality.

Your City Brew Tour Business will compete with other forms of tour and entertainment businesses, some of which may offer the same or similar services and products to those offered by City Brew Tours Businesses. You may also experience indirect competition from transportation network companies. The competitors may range from franchise systems, independent operators, chains and other businesses, which may include other businesses owned by us or our affiliates. In addition, many of these competitors may have substantial financial, marketing and other resources and they may already be established in your market. The ability of each City Brew Tours Business to compete depends on its geographic location or territory, sales program, customer service, overhead costs, economic conditions, weather, and many other factors both within and outside your or our control.

ITEM 2 BUSINESS EXPERIENCE

President and Director: Chad Brodsky

Mr. Brodsky has been our President and a Director since March 2019. Mr. Brodsky has also been the President of CBTG since April 2019 and President of CBTM since October 2016. From 2009 to 2012 Mr. Brodsky was the Lead Financial Analyst for Vermont Federal Credit Union located in Burlington, Vermont. From 2008 to April 2019, Mr. Brodsky operated brewery tours as the sole owner of BBT in Burlington Vermont and continues to do so presently under CBTG (f/k/a BBT). Mr. Brodsky is also Certified Cicerone®.

Chief Experience Officer: Julie Walker

Ms. Walker has been our Chief Experience Officer since July 2022 Ms. Walker manages corporate tour operations and assists franchisees with ensuring they create unforgettable experiences. Prior to joining us, Ms. Walker spent nearly a decade as a nonprofit Program Director for a service year program focused on immigrant and refugee support in Pittsburgh, PA. Ms. Walker has been a homebrewer for 12 years and is a Certified Beer Server through the Cicerone® program. Ms. Walker has been an active member of the Pink Boot Society since January 2020, an organization that assists, inspires and encourages women and/or non-binary individuals in the fermented and alcoholic beverage profession through education.

Business Development Manager: Isaac Bell

Mr. Bell has been our Business Development Manager since January 2018. Mr. Bell served as a Beer Guide for BBT in its Washington, D.C. market from February 2016 until October 2016, and operated as a City Coordinator from October 2016 until January 2018. Mr. Bell is a Level 1 Cicerone®. From 2012 to 2018, Mr. Bell was the Director of Operations for Carpenter's Shelter located in Alexandria, Virginia.

Franchise Sales Manager: Todd Summers

Mr. Summers has been our Franchise Sales Manager since November 2020. He previously worked as a Business Development Representative at Philips from May 2020 through October 2020. He served as a Private Event Sales Coordinator for CBT Management LLC from August 2018 through May 2020.

Sales and Development Specialist: Matt LaRosa

Mr. LaRosa has been our Sales and Development Specialist since September 2021. Mr. LaRosa served as Private Event Sales Coordinator for CBT Management LLC from September 2020 to August 2021. From 2017 to 2020 Mr. LaRosa worked as an On-Premise Account Representative for Seaboard Products, a Sheehan Family Company beer distributor in Danvers, Massachusetts.

ITEM 3 LITIGATION

There is no litigation that must be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FRANCHISE FEES

Deposit and Initial Franchise Fee

You must pay us an Initial Franchise Fee of \$38,000 (the “**Initial Franchise Fee**”) to be granted the right to operate a City Brew Tours Business. When you submit your Franchise Request Form to us, you must pay us a deposit of \$3,800 (the “**Deposit**”) and sign the Deposit Agreement attached to this disclosure document as Exhibit D. \$1,500 of the Deposit is nonrefundable and considered completely earned by us regardless of whether we approve you to operate a City Brew Tours Business or not. If we do not approve you to operate a City Brew Tours Business, we will refund the remaining \$2,300 of your Deposit to you within 30 days of your receipt of our decision.

We will approve or reject your Franchise Request Form within 45 days of the date we receive all of the information we require. If we reject your Franchise Request Form, we will send you a letter notifying you of the rejection. If we approve your Franchise Request Form, we will send you a letter of approval along with copies of the Franchise Agreement. You will pay to us the remaining balance of the Initial Franchise Fee (i.e. the portion of the Initial Franchise Fee in excess of the Deposit) within 30 days of the date we send the approval letter (“**Approval Period**”). You are also required to execute the Franchise Agreement in person in Boston, Massachusetts. If you do not sign the Franchise Agreement and pay any remaining balance of the Initial Franchise Fee within this 30-day period, our approval of your Franchise Request Form will be automatically withdrawn and \$3,800 of the Deposit will be forfeited. If you then elect to continue with your project, you must complete a new Franchise Request Form and pay another Deposit to us, \$1,500 of which will be non-refundable.

The Initial Franchise Fee is fully earned by us upon receipt and is non-refundable. However, we may, in our discretion, give a full or partial refund of the Deposit and/or Initial Franchise Fee under unique circumstances or agree to credit the Deposit and/or Initial Franchise Fee towards the Deposit and/or Initial

Franchise Fee of any future Franchise Request Form you submit, although we are not required to do so. Refunds are not based on any quantifiable data. We have the absolute right to evaluate each situation on an individual basis.

We may in our discretion agree to reduce or waive the Initial Franchise Fee and/or the Deposit based upon factors we determine justify a reduced fee under the circumstances. Except as stated herein, as of the date of this disclosure document, we have not reduced or waived the Initial Franchise Fee or the Deposit.

Financing of Initial Franchise Fee

You have the option to obtain financing for the Initial Franchise Fee through any bank or financial institution, including securing a loan guaranteed by the Small Business Administration (“SBA”) of which we are an approved franchisor and appear on the SBA's Franchise Registry. Alternatively, you have the option to finance with us up to 70% of the Initial Franchise Fee over a period of 36 months at 12% interest per annum. If you choose to finance your Initial Franchise Fee through us, the amount of the Deposit will be \$3,800, with \$1,500 being non-refundable and fully earned by us regardless of whether we approve you to operate a City Brew Tours Business. Upon signing your Franchise Agreement, you will be required to remit to us payment of \$7,600 (“**Initial Payment**”) and sign the Financing Addendum attached to this disclosure document as Exhibit F for the remaining Initial Franchise Fee due (i.e. the portion of the Initial Franchise Fee in excess of the Deposit and Initial Payment).

ITEM 6 OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalties ³	5.5% to 8.5% of Net Revenues ²	15 th of each month	The Royalties you will pay are calculated based on your annualized Net Revenues as reflected in the Chart below. See Note 3 below.
Marketing Fees	1.5% of Net Revenues	15th of each month	We will manage the Marketing Fees and it will be generally used for independent brand research and development efforts and new marketing initiatives, which efforts may be unrelated to direct advertising and marketing or otherwise.

Type of Fee ¹	Amount	Due Date	Remarks
Digital Marketing Fees	Varies, approximately \$425 to \$925 per month depending upon service level selected	15 th of each month	We may require you to engage a digital marketing consultant or service provider to provide pay-per-click, search engine optimization, and related digital marketing services to you. We may either require you to pay the service provider directly, or we may require you to pay the fees to us, to be remitted to the service provider. We may charge an administrative fee in addition to the service provider's fee to cover our administrative and management expenses associated with the digital marketing program. This fee is subject to increase based on changes to the fee charged by the service provider. Any fee paid to us or the service provider will be counted towards your minimum local marketing expenditure.
Local Marketing ⁴	5.5% to 8.5% of Net Revenues	15th of each month	In addition to any Marketing Fee we collect, you are required to spend a percentage of your Net Revenues on approved local marketing and promotion in your Authorized Territory. If you fail to make the required expenditure, we have the right to collect and contribute the deficiency to the Marketing Fund.
Uniforms	\$45 - \$65 per employee	Upon receipt of invoice	You are required to purchase "Beer Guide" shirts through our affiliate, Unboxed.
Renewal Franchise Fee	50% of the then current Initial Franchise Fee for new City Brew Tours franchisees	30 days prior to the end of the expiring term	You must execute a successor Franchise Agreement for the continued operation of your City Brew Tours Business after the expiration of your Franchise Agreement. The terms and conditions of your Successor Franchise Agreement may materially differ from the terms and conditions of your current Franchise Agreement.

Type of Fee ¹	Amount	Due Date	Remarks
Manager, Replacement Manager or Additional Training	\$50 per person, per hour	Upon receipt of invoice	We do not charge you for the initial training we provide prior to commencement of your City Brew Tours Business. Any manager or replacement manager(s) you hire following business commencement must complete our training and you will be charged a fee. If we require you or your manager to repeat initial training, you will be charged a fee.
Evaluation	Cost and expenses of representative for follow up visits	Upon receipt of invoice	We have the right to enter your City Brew Tour Business at all reasonable times during the business day to assess your compliance with the Franchise Agreement and System standards. If you fail an evaluation you are required to pay our costs and expense incurred when conducting a subsequent evaluation to determine if you have cured the issues identified in the first evaluation.
Online Communications	\$10 - \$25 per employee, per month plus \$.02 - \$.04 per minute for telephone services	Upon receipt of invoice	We may require you, at your expense, to participate in our website, Internet, intranet or extranet system, third party social media sites or other online communications. We will be providing you with set-up and integration services to be connected to our Call Center with a local phone number and voice mailbox, with two (2) "agent" seats to log in and unlimited ring groups and IVR routing at no charge to you. We will also be providing you with integrating services to our Email Ticket Support system, with two (2) "agent" seats to log in and one (1) company "group" to filter tickets into at no charge to you. If you request additional support or if we determine that it is necessary to provide you with more support, we may require you to pay to us our then-current fee.

Type of Fee ¹	Amount	Due Date	Remarks
“A-la Carte” Services ⁵	\$30 - \$75 per hour depending on the service you choose	Upon receipt of invoice	In addition to the products and services you receive as part of our obligations under the Franchise Agreement, we offer additional services to franchisees for a fee, such as graphic design, email responses, phone call service, and full service private tour sales. It is not mandatory that you purchase these products and services.
Trademark Litigation	Costs and expenses of litigation	Upon receipt of invoice	Only applicable if the challenge or claim results from your misuse of the Trademarks in violation of your Franchise Agreement.
Additional Supplies and tickets	Varies	Upon receipt of invoice	We provide you with a Starting Kit that includes 3000 guest lanyards, 3 employee “Beer Guide shirts and 10 tickets for employees to train in a city where we operate a corporate City Brew Tours Business. If you request additional supplies and tickets, you must pay us for these.
Interest	The lesser of 18% or the maximum rate allowed by law	Upon receipt of invoice	Interest charges begin accruing from the date payment was due, but not received, or date of underpayment.
Service Charge (NSF Fee)	\$100	Upon receipt of invoice	You must pay to us a service charge for each delinquent report or payment that you owe to us, including payments that are delinquent as a result of non-sufficient funds.

Type of Fee ¹	Amount	Due Date	Remarks
Audit	Audit fees	Upon receipt of invoice	If any audit reveals any understatement of Net Revenues by 2% or more, you must pay for the audit and any review by an independent certified professional accountant.
Indemnification	All costs and expenses incurred by us in our defense	Upon receipt of invoice	You must indemnify us if we suffer any loss as a result of the operation of your City Brew Tours Business or any breach by you or your failure to comply with the terms and conditions of your Franchise Agreement.
Insurance	All costs paid by us on your behalf plus a fee for expenses	Upon receipt of invoice	If you fail to maintain the required insurance coverage, we have the right to procure it on your behalf and you will be responsible for the costs and expenses we incur when doing so.
Transfer Fee	50% of our then-current Initial Franchise Fee	Upon receipt of invoice	You may not transfer your Franchise Agreement or your City Brew Tours Business without our consent. Any transfer of ownership that affects the ownership of 5% or more of your entity (if applicable) will constitute a transfer and the Transfer Fee will apply.
Removal of Trademarks	All costs and expenses incurred by us removing our trademarks	Upon receipt of invoice	If your Franchise agreement is terminated and you fail to remove all of our Trademarks, we have the right to enter and remove them and you must reimburse us for our costs incurred in doing so.

Type of Fee ¹	Amount	Due Date	Remarks
Liquidated Damages	Lump sum equal to Royalties and Marketing Fees payable to us for the 36 months immediately preceding termination.	As incurred	Payable to us upon wrongful termination of the Franchise Agreement by you or termination as a result of breach.
Failure Payment	\$100 per day per default	Upon receipt of invoice	Payable to us until the default is cured.
Litigation Reimbursement	All costs and expenses incurred by us if we are the prevailing party	Upon receipt of invoice	If we bring action to enforce the terms of your Franchise Agreement and prevail in that proceeding, you will reimburse us our costs and expenses associated with the action.

Notes

1. No other fees or payments are to be paid to us or our Affiliates, nor do we impose or collect any other fees or payments for any other third party. All fees are generally nonrefundable.

Before your City Brew Tours Business opens, you must sign and deliver to us the documents we require to authorize us to debit your operating checking account automatically for the Royalties, Marketing Fees and other amounts due under the Franchise Agreement and for your purchases from us and our affiliates (Schedule D to the Franchise Agreement). We will debit the operating checking account for these amounts on their due dates. Funds must be available in the operating checking account for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

2. “Net Revenues” means and includes: (a) the actual gross receipts realized from customers of your City Brew Tour Business or third parties in connection with the sale of goods and services made to those customers; (b) the actual gross receipts realized from any person, whether or not a customer of your City Brew Tour Business, in connection with the sale of goods or services made as a result of any association with or use of the Marks or the System, including the sale of tours and other events and any and all other related products or services sold to customers of your City Brew Tour Business; and (c) any and all other revenues derived through the operation of your City Brew Tour Business, but excluding any bona fide documented federal, state, or municipal sales taxes collected by you from customers and paid by you to the appropriate taxing authority and excluding prepaid gratuities paid to personnel.

3. Royalties each year are based on a percentage of the actual Net Revenues of your City Brew Tours Business as follows:

Cumulative Net Revenues	Percentage of Net Revenues applicable to Royalties
0-\$249,999.99	8.5%
\$250,000-\$499,999.99	7.5%
\$500,000-\$749,999.99	6.5%
\$750,000 or more	5.5%

At the start of our fiscal year, we will automatically reset your Royalty Fee rate to 8.5%. As provided in the above chart, we may then reduce your Royalty Fee from 8.5% to either 7.5%, 6.5%, or 5.5% depending on your Cumulative Net Revenues during the current year.

4. In addition to any Marketing Fee we collect, you are required to spend an amount equal to the percentage of Net Revenues as provided for in the Chart below on approved local marketing and promotion in your Authorized Territory. In your first year of operations, the amount you must spend on local marketing will be calculated based on your Net Revenue during that year. In all subsequent years, the amount you must spend will be based on your Net Revenues for the prior fiscal year. Upon our request, you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing.

Net Revenues (Based on completed 12 month fiscal year)	Percentage of Net Revenues applicable
0-\$249,999.99	8.5%
\$250,000-\$499,999.99	7.5%
\$500,000-\$749,999.99	6.5%
\$750,000 or more	5.5%

5. For an additional fee, we offer a Marketing Package, which includes advertising/marketing management services, as well as certain graphic design assistance, a Customer Service Package, which includes call service agent and e-mail ticket management and response, and Guide/Employee On-going Training Package, which includes our Development Managers training and evaluating your employees on-site in your Authorized Territory.

ITEM 7
ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL
INVESTMENT**

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹ (includes Starter Kit)	\$38,000.00	\$38,000.00	Bank Check or Wire Transfer	Upon Execution of Agreement	Franchisor
Passenger vehicle for 15 people ²	\$8,000.00	\$12,000.00	As required	As required	Supplier
Vehicle Brand Graphics ³	\$1,500.00	\$2,000.00	As required	As required	Supplier
Grand Opening Marketing Campaign ⁴	\$7,500.00	\$7,500.00	As required	As required	Supplier
Initial training Program – Travel, meals and board ⁵	\$500.00	\$2,000.00	As required	As required	Supplier
Commercial Automobile Insurance – Auto ⁶	\$2,500.00	\$10,000.00	As required	Prior to the operation of the first tour	Supplier
Tour Operator Liability Insurance or General Liability Insurance, in either case, with host liquor liability ⁶	\$1,200.00	\$3,500.00	As required	Prior to the operation of the first tour	Supplier
Computer Hardware and Software	\$500.00	\$1,500.00	As required	As required	Supplier
Professional Services ⁷	\$3,000.00	\$8,000.00	As required	As required	Supplier
Miscellaneous Costs and Expense ⁸	\$2,000.00	\$2,000.00	As required	As required	Supplier
Table, chair, printer and filing cabinet	\$1,000.00	\$2,000.00	As required	As required	Supplier

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment is to be Made
Safety Equipment	\$500.00	\$1,000.00	As required	As required	Supplier
Additional Funds ⁹ (6 months)	\$10,000.00	\$10,000.00	As required	As required	Supplier
TOTAL INITIAL INVESTMENT ¹⁰	\$76,200.00	\$99,500.00			

None of the above fees and costs are refundable except as otherwise disclosed below.

Notes:

1. See Item 5 for details on how the amount of this fee is paid and under what circumstances it is refundable. If you qualify, City Brew Tours may finance up to 70% of the Initial Franchise Fee.
2. We require that you purchase or lease a passenger vehicle for the operation of your City Brew Tours Business. A passenger vehicle must carry a minimum of 12 passengers and have a manufactured date of less than ten (10) years prior to the date of executing the Franchise Agreement.

Option 1 – Purchase

The investment for a certified pre-owned passenger vehicle is approximately forty thousand dollars (\$40,000.00). The purchase of a used passenger vehicle will vary greatly, based on the age, mileage and state of the vehicle. Based on the characteristics and criteria established by us in the Electronic Operations Manual, the purchase price of a suitable used passenger vehicle is estimated at twelve thousand dollars (\$12,000.00) plus applicable taxes. For a certified pre-owned passenger vehicle, the deposit required from you is estimated at eight thousand dollars (\$8,000.00) as a down payment for dealership financing. Administrative and other fees as well as insurance may apply.

Option 2 – Lease

To lease a new passenger vehicle required to operate your City Brew Tours Business, based on a purchase price of \$50,000, a four (4) year rental period, an annual interest rate of 6.00% and a deposit of \$10,000.00, monthly payments are estimated at \$416.00. The amount of the monthly rental payments may vary based on the residual value of the vehicle, administrative and other fees and expenses as well as rental insurance. This option presumes you will only incur regular maintenance costs on a yearly basis as new vehicles usually come with a full guarantee for the first three (3) years. After the third year, you will incur additional costs and expenses with respect to the operation and maintenance of the passenger vehicle.

If you already own a passenger vehicle that meets our criteria and characteristics, this investment may not be necessary.

Passenger vehicle pricing will vary considerably based on condition of the vehicle, age of the vehicle, and the vehicle mileage. Estimates are based on a Ford passenger vehicle that carries 15 people.

Car dealerships and other car distributors and retailers may also offer different financing programs as well as promotional rebates and/or liquidation prices. These will affect the initial investment required for a passenger vehicle (including the price, the initial deposit, the monthly payments and the interest rate). Certain car dealerships may charge administration or other fees upon the lease or purchase of a vehicle.

3. The Graphic Assets Package provided to you will include print-ready artwork in an Adobe Illustrator file for late-model year 15 passenger Ford Transits with 148" wheelbase and late-model year 15 passenger Ford Econoline (E-350) vans. The artwork is adaptable to other models of 15 passenger vehicles if you operate a vehicle other than the two mentioned in this paragraph. Any required edits and the installation will be required at the Franchisee's expense.
4. This amount must be spent by you prior to and during the first three (3) months as of the opening of your City Brew Tours Business. It is a minimum and you are encouraged to spend more to attain faster market penetration. You are required to respect the Electronic Operations Manual with respect to your Opening Marketing Campaign. We require the use of a Public Relations professional, Google Ads publicity and Facebook with the funds from the Grand Opening Marketing Campaign. This amount will also be for the costs of promotional materials used for advertising such as placards, posters, tent, table, and similar marketing materials for an opening event promotion and associated marketing. This can also include the expenses of your press tours and discounted launch weekend tickets.
5. Initial Training Program costs will vary based on flights/accommodations and distance from existing tour cities. The initial training is for a maximum of two (2) individuals of the Franchisee and includes approximately 40 hours of on-site training, either in one of our corporate owned cities, or in your territory, and 40 hours of remote training and support. For training in Washington, D.C., lodging, meals, transportation and salaries of employees are your responsibility. For field training in your territory we are responsible for lodging, meals, transportation and salaries of our representative.
6. These amounts are estimated to be annual expenses to acquire the insurance listed in the Franchise Agreement. The types of insurance you are required to maintain are described in Item 8 of this disclosure document. We require that you secure either general liability with host liquor liability and/or tour operator liability insurance that includes host liquor liability. If you are not able to secure one type of insurance, you must secure the other type. However, if your business has a physical location, we require that you procure both types of insurance, and both types of insurance must include host liquor liability as a part of coverage. We may, periodically, specify and change the types and amounts of coverage required. You must provide us with a copy of your insurance policy. Each insurance policy must name us, our affiliates and our and their respective officers and owners as additional named insured and must require 30 days written notice to us before being modified, cancelled or terminated and 30 days prior written notice to us before the policy expires. A company with an A.M. Best rating of A or higher must underwrite all insurance policies.
7. You will need to employ an attorney, an accountant, and other consultants to assist you in establishing your City Brew Tours Business. These fees may vary depending upon the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. You

should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

8. Miscellaneous - You will incur additional expenses for miscellaneous items such as stationery, permits, memberships, etc. These costs vary widely according to local requirements. In addition, you may incur the following additional expenses as you start to operate and grow your City Brew Tours Business:

Expenditure	Cost Range	How Calculated And Any Notes
Beer Costs	\$2.00-\$9.00	Calculated as a per attendee cost per brewery stop.
Food Costs	\$15.00-\$23.00	Calculated based on a per attendee cost per food stop. This cost includes beer purchased at the food stop.
Guide Wages	\$72.00-\$120.00	Guides are paid approximately \$18-20 per hour. Tour compensation is based on tour shifts of 4 to 6 hours.
Tour Supplies	\$1.00-\$3.00	This includes required guest lanyard, fuel and other tour incidentals. This fee is calculated per attendee.
Hired/non-owned transportation services	\$90.00 - \$1,000	The cost for hired/non-owned transportation services is for larger tours or when you exceed the number of vehicles you own or lease. In these instances, you may need to charter a bus or rent a second van on a per-day basis to meet this additional demand. The cost in this line item includes vehicles that have been rented or chartered. Chartered vehicles include a driver, while rentals do not. Vehicles can include vans, school buses, or motor coaches.

9. Additional funds may be required in your first 6 months of operations to support ongoing costs of your City Brew Tours Business such as utilities, taxes, advertising, salaries and other expenses to the extent that revenues do not cover business costs. New businesses franchised or not, often have larger expenses than revenues.
10. Given that each City Brew Tours Business has different costs and sales in the start-up months, this is only an estimate of the additional funds you may need. We have relied on the more than 10 years of applicable experience of us and our affiliates in compiling these estimates. They are, however, only estimates and include no warranty or representation, express or implied, that the estimated amounts will be sufficient for your specific franchise. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

Other than the Initial Franchise Fee (see Item 5), we do not offer direct or indirect financing to you for any items.

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ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers

You must use in the operation of your City Brew Tours Business and in the offering of services and/or products only the proprietary and non-proprietary techniques, processes, supplies, materials and other goods we designate, and offer or use them, all as we specify in our Electronic Operations Manual or otherwise in writing. We may change these periodically and that you are obligated to conform to the requirements. All vehicles, supplies, materials and other goods, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality.

You must only use approved supplies, trademarked retail items, equipment, materials, services or products, inventory, signage, advertising materials, trademarked items and novelties, and other items or services (collectively, “**Approved Supplies**”) in connection with the operation of your City Brew Tours Business as set forth in the Approved Supplies lists, as we may amend from time to time. Although we do not do so for every item, we have the right to choose and designate the manufacturer, distributor, provider and/or supplier of Approved Supplies (an “**Approved Supplier**”). Some or all Approved Supplies may only be available from one Approved Supplier source, and we, or our affiliates, may be that source.

All inventory, products, materials and other items and supplies used in the operation of your City Brew Tours Business that are not then included in the Approved Supplies or Approved Suppliers lists must conform to the specifications and standards we establish from time to time. Except where there is a legitimate issue, as determined by us, with respect to an Approved Supplier’s ability to provide an item that satisfies your obligations under applicable laws and administrative rules, regulations and policies relating to promotional issues, you do not have the right to use nor require us to consider alternative Approved Supplies or alternative suppliers, including without limitation, alternative approved manufacturers, suppliers, providers and distributors or alternative approved products, material, equipment, signage, stationery, supplies and other items or services necessary to operate your City Brew Tours Business.

CBTM is currently the sole mandated supplier for the website and is an Approved Supplier for other Approved Supplies and materials.

Unboxed is currently the sole mandated supplier for guest lanyards, tents, and uniforms and is an Approved Supplier for other Approved Supplies and materials.

DigitalPosition is currently the sole mandated supplier for pay-per-click, search engine optimization and other digital marketing services.

CBTG has an ownership interest in CBTM and Unboxed, which are suppliers of the website, guest lanyards and uniforms. One of our officers owns CBTG. Other than as disclosed in this disclosure document, other than our affiliates, none of our officers has an ownership interest in any other approved supplier.

Approval of Alternative Suppliers

Where there is a legitimate issue under applicable laws and administrative rules, regulations and policies relating to promotional issues, you shall identify an alternative supplier for our approval, which shall not be unreasonably withheld, that can provide the item that will comply with applicable laws, which supplier shall be deemed an “Approved Supplier” for the sole purpose of the provision of such item. Approval requests should be made in writing to franchising@citybrewtours.com. For physical materials

requiring approval, a sample might be requested before distribution. It will be at your sole cost to mail us any sample supplies. We have 5 business days to review the request from the date we receive the email or the sample, whichever is later. Upon our response approving the request or if after 5 business days we have not approved the request you may consider the request approved.

Purchasing or Distribution Cooperatives

We do not currently have any purchasing or distribution cooperatives. We may attempt to negotiate discounted prices and favorable terms from suppliers for your benefit. We may also negotiate with various vendors to obtain for all of our franchisees and us and our affiliates various advertising related discounts and/or cooperative advertising programs. If we negotiate these programs, you will have the right to participate in the programs, but will not be obligated to do so, unless we make it a requirement. These optional advertising programs in no way affect your obligations to use only approved suppliers and all required suppliers.

Revenue Derived from Franchisee Purchases

We and our affiliates may derive revenue from your required purchases in connection with the operation of your City Brew Tours Business. As of the issuance date of this disclosure document, neither we nor our affiliate received any revenue from required purchases or leases by franchisees, but we retain the right to do so in the future.

Estimated Proportion of Required Purchases and Leases

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 0% to 4% of your total purchases in establishing your City Brew Tours Business, and approximately 1% to 5% of your total annual purchases in the continuing operation of your City Brew Tours Business.

No Material Benefits

We do not provide material benefits to franchisees (for example, renewal or granting additional franchises) based on purchases of particular products or services or use of particular suppliers, but you must use only suppliers we approve.

Insurance

You must purchase and maintain in full force and effect, at your expense and from an insurer we may designate or, if we have not designated such an insurer, from an insurer we accept, insurance that insures both you and us, and any other persons we designate by name. The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, must include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) "special" causes of loss coverage forms (sometimes called "All Risk Coverage" or "All Peril Coverage") on the City Brew Tour Business in the amount of one million dollars (\$1,000,000); (ii) comprehensive general liability insurance including product liability insurance, contractual liability insurance and liquor liability insurance, in the amount of one million dollars (\$1,000,000), and/or tour operator liability insurance that includes host liquor liability; (iii) workers' compensation insurance covering all of your employees; (iv) commercial motor vehicle insurance; (v) we are named as additional insured on all liability policies required by this paragraph; (vi) severability of interests and/or separation of insured provisions must be included in the liability policies and all policies must be primary and non-contributing with any

insurance policy carried by us; and (vii) any other such insurance coverage or amounts as required by law or other agreement related to the City Brew Tour Business. If you do not have a physical location, you are not required to procure both general liability and tour operator liability insurance, as noted above, but you must secure one type or the other. However, if you maintain a physical location, we require that you secure both types of insurance that includes liquor liability as a part of your coverage.

The insurance coverage referenced in (i), (ii), and (iv) above must commence at the latest 30 days before the first guided tour is operated. You must deliver to us upon reception by you a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this paragraph. The insurance certificate must show our status as additional insured and provide that we will be given 30 days' prior written notice of a material change in or termination or cancellation of the policy. We also may request copies of all policies. We may from time to time modify the required minimum limits and require additional insurance coverage, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the City Brew Tours System, standards of liability and higher damage awards. If you do not procure and maintain the required insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur. You must pay these amounts to us immediately upon written notice.

ITEM 9 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 Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Franchise Agreement ("FA") Section 2.1	Items 1, 7, 11 and 12
b.	Pre-opening purchases/leases	FA Sections 4.2; 4.4; 5.2; 6.3; 6.4; 6.5; 6.8; 7.3; 9.2 and 11.3	Items 5, 7 and 8
c.	Site development and other pre-opening requirements	FA Sections 2.1; 4.2; 4.4; 5.1 5.2; 6.5; 6.8; 6.12 and 7.3	Items 7, 8 and 11
d.	Initial and ongoing training	FA Sections 4.1; 4.2 and 4.3	Items 6 and 11
e.	Opening	FA Section 2.3	Items 5 and 11
f.	Fees	FA Sections 7 and 9	Items 5, 6, and 7
g.	Compliance with standards and policies/Electronic Operating Manual	FA Sections 6.5; 6.6; 6.10; 6.12 and 6.16	Items 11 and 16

	Obligation	Section in Franchise Agreement	Disclosure Document Item
h.	Trademarks and proprietary information	FA Section 8	Items 13 and 14
i.	Restrictions on products/ services offered	FA Sections 6.1; 6.2; 6.3; 6.4 and 6.11	Items 8, 11 and 16
j.	Warranty and customer service requirements	FA Sections 6.7 and 6.8	Item 16
k.	Territorial development and sales quotas	Not applicable	Not applicable
l.	Ongoing product/service purchases	FA Section 6	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	FA Sections 5.3 and 5.4	Items 6 and 11
n.	Insurance	FA Section 11.3	Items 6 and 8
o.	Advertising	FA Section 7 and 9.5	Items 6, 7 and 11
p.	Indemnification	FA Section 11.2	Item 6
q.	Owner's participation/ management/staffing	FA Section 4.1	Items 9, 11 and 15
r.	Records/reports	FA Section 10	Item 6
s.	Inspections/audits	FA Sections 6.7 and 10.2	Item 6
t.	Transfer	FA Section 12	Items 6 and 17
u.	Renewal	FA Section 3.2	Items 6 and 17
v.	Post-termination obligations	FA Section 14	Item 17
w.	Non-competition covenants	FA Section 15	Item 17
x.	Dispute resolution	FA Section 17	Item 17
y.	Other: Guarantee of franchisee obligations	FA Section 18.6	Item 22

ITEM 10 FINANCING

Other than described herein, we do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

If you do not secure financing through a bank or financial institution, including SBA financing, you have the option to finance with us up to 70% of the Initial Franchise Fee over a period of 36 months at 12% interest per annum. If you choose to finance your Initial Franchise Fee, you must deposit \$3,800 (“**Deposit**”) with us at the time you submit your Franchise Request Form. \$1,500 of this is non-refundable and fully earned by us regardless of whether we approve you to operate a City Brew Tours Business. Upon signing your Franchise Agreement, you will be required to remit to us payment of \$7,600 (“**Initial Payment**”) and sign the Financing Addendum attached to this disclosure document as Exhibit F for the remaining Initial Franchise Fee due (i.e. the portion of the Initial Franchise Fee in excess of the Deposit and Initial Payment). Monthly payments will commence on the 15th day of the first month following execution of your Franchise Agreement.

In the event any monthly payment of the balance of the Initial Franchise Fee is not paid when due, the balance of the amount payable to us at that time, in capital and interest, will automatically and without notice become due and payable in full to us. Failure to remit payment is also considered a default under your Franchise Agreement.

You have the right at any time to pay the balance of the Initial Franchise Fee without penalty.

If your City Brew Tours Business is owned by an entity, we will require a personal guarantee from the shareholders/owners, directors and officers of that entity. A copy of the personal guarantee is attached to this disclosure document as Schedule E to the Franchise Agreement (Exhibit E to this disclosure document)

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

Except as listed below, City Brew Tours is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your City Brew Tours Business, we will:

- Designate your Authorized Territory. (Franchise Agreement, Section 2.2 and Schedule B)
- Provide you with Initial Training. (Franchise Agreement, Section 4.2)
- Provide you with set-up and integration services to be connected to our Call Center with a local phone number and voice mailbox, with two (2) “agent” seats to log in and unlimited ring groups and IVR routing. (Franchise Agreement, Section 4.4)
- Provide you with integrating services to our Email Ticket Support system, with two (2) “agent” seats to log in and one (1) company “group” to filter tickets into. (Franchise Agreement, Section 4.4)

- Provide you with a list of Authorized Supplies, Authorized Suppliers, computer hardware and software and other authorized products, services and materials. (Franchise Agreement, Sections 6.2, 6.3, 6.4 and 6.5)
- Provide you with electronic access to our confidential Electronic Operations Manual. (Franchise Agreement, Section 6.10)
- Provide you with access to current pricing models for public and private tours. (Franchise Agreement, Section 6.14)
- Either provide or approve or disapprove marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) and your sales promotion material, customer goodwill items, cartons, containers, wrappers and paper goods, eating and serving utensils, pints, hats koozies, accessories and customer convenience items. (Franchise Agreement, Sections 7.4 and 7.5)
- Provide you with a website (or access to our website) and the right to use our Internet, intranet system or extranet system, social media sites or other online communications. (Franchise Agreement, Section 7.6)
- Provide you with a Starter Kit. (Franchise Agreement, Section 9.2)

Continuing Obligations

During the operation of your City Brew Tours Business, we will:

- Provide you with ongoing training. (Franchise Agreement, Section 4.3)
- Provide you with set-up and integration services to be connected to our Call Center with a local phone number and voice mailbox, with two (2) “agent” seats to log in and unlimited ring groups and IVR routing. (Franchise Agreement, Section 4.4)
- Provide you with integrating services to our Email Ticket Support system, with two (2) “agent” seats to log in and one (1) company “group” to filter tickets into. (Franchise Agreement, Section 4.4)
- We may, in our discretion hold an All Cities Annual Meeting that your operating partner must attend and up to 2 additional employees may attend at our cost and expense (excluding transportation). (Franchise Agreement, Section 4.5)
- Provide you with access to current pricing models for public and private tours. We reserve the right, to the fullest extent allowed by applicable law, to require you to adhere to our suggested prices, including maximum prices. (Franchise Agreement, Section 6.14)
- Either provide or approve or disapprove marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) and your sales promotion material, customer goodwill items, cartons, containers, wrappers and paper goods, eating and serving utensils, pints, hats koozies, accessories and customer convenience items. (Franchise Agreement, Sections 7.4 and 7.5)

- If established by us, provide you with the right to participate in our website, on our Internet, intranet system or extranet system, social media sites or other online communications. (Franchise Agreement, Section 7.6)
- Administer the Marketing Fund (Franchise Agreement, Section 9.4)

Operations Manual

Currently, we have an Electronic Operations Manual we make available to you through a password protected Website. The Electronic Operations Manual includes descriptions of marketing techniques, operational procedures, business practices, and management methods for our City Brew Tours System. There are approximately 111 pages in the Electronic Operations Manual with approximately an equal amount of pages supplied as appendices, but this may differ depending on your computer system and the hardware and software you are using. The purpose of the Electronic Operations Manual is to protect our reputation and goodwill and to maintain uniform standards under the marks and the City Brew Tours System. You must operate your City Brew Tours Business in accordance with the standards, methods, policies, and procedures in the Electronic Operations Manual. The table of contents of the Electronic Operations Manual is Exhibit G to this disclosure document.

Advertising and Promotion

Generally

You must use only such marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Any promotional activities you conduct with respect to your City Brew Tour Business are subject to our approval. (Franchise Agreement, Sections 7.4 and 7.5)

We currently require you to engage a designated third party for pay-per-click, search engine optimization and other digital marketing services. We may change the designated service provider from time to time.

Internet and Social Media

We may require you, at your expense, to participate in our website, on our Internet, intranet system or extranet system, third party social media sites or other online communications as we may require. We have the right to determine the content and use of the website and intranet or extranet system, social media sites or other online communications and will establish the rules under which City Brew Tours Businesses may or must participate or are prohibited or restricted from participating. Such rules and/or policies shall be set out from time to time in the Electronic Operations Manual or otherwise communicated to you in writing from time to time. You may not separately register any domain name containing any of our marks, participate in any website that markets goods and services similar to a City Brew Tours Business, or operate a website for your City Brew Tours Business that does not link to our website. We retain all rights relating to our website and intranet system and may alter or terminate the website, extranet system or intranet system. (Franchise Agreement, Section 7.6).

Marketing Fund

You must pay to us a monthly marketing fee of an amount representing one point five percent (1.5%) of Net Revenues (the “**Marketing Fees**”). We or our designee (CBTM) will administer the City

Brew Tours Marketing Fund (the “**Marketing Fund**”) as follows (Franchise Agreement, Section 9.4):

We will direct all advertising programs with sole control over the strategic direction, creative concepts, materials and media used in the programs, and the geographic, market and media placement and allocation of advertising. You acknowledge that the Marketing Fund is intended to further general public recognition and acceptance of the Trademarks for the benefit of the CBT System. You further acknowledge that we and our designees undertake no obligation in administering the Marketing Fund to make expenditures for you which are equivalent or proportionate to your contributions, or to ensure that you benefit directly or proportionately from the placement of advertising or any other marketing or advertising activities, or to ensure that such advertising or marketing impacts or penetrates your market area. If we receive any promotional allowances with respect to your purchase of goods or services from vendors other than us or our affiliates, then we will be under no obligation to contribute the promotional allowances to the Marketing Fund. The Marketing Fund is not a trust and neither we nor our affiliates are a fiduciary with respect to the Marketing Fund.

The Marketing Fund may, but is not required to, be used to meet all costs of administering, directing, preparing, placing and paying for sales, advertising and marketing initiatives or programs on a national, regional, or local basis. We may use Marketing Fund contributions in our sole discretion for the cost of developing, preparing, placing, distributing and conducting television, radio, magazine, newspaper or other advertising campaigns, public relations activities, engaging in telemarketing/Internet activities, Search Engine Optimization on the Internet, establishing, maintaining, updating and upgrading one or more Web sites, obtaining sponsorships and endorsements, brand research and development and new marketing initiatives. Advertising and promotional materials developed with Marketing Fund contributions may be either created in-house by our marketing department, or we may retain the services of a national or regional advertising agency. The Marketing Fund will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead we may incur in activities related to the administration of the Marketing Fund and its programs, including preparing advertising and marketing materials and collecting and accounting for contributions to the Marketing Fund; the cost of employing advertising agencies and/or in-house marketing support; paying interest on monies borrowed by the Marketing Fund from third parties unaffiliated with us; providing customer service comment cards to you and other City Brew Tours franchisees; and, sponsoring sporting, charitable or other special promotional events, if we choose to do so at our sole discretion.

We expect to expend most contributions to the Marketing Fund for brand research and development and marketing initiatives during the fiscal year when the contributions are made. If we expend less than the total sum available in the Marketing Fund during any fiscal year, then we may expend the unused sum during the following fiscal year. If we expend an amount greater than the amount available in the Marketing Fund in any fiscal year (not including any sum required to be expended because we did not expend all the sums in the Marketing Fund during the preceding year), we will be entitled to reimburse ourselves from the Marketing Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. No money will be spent by the Marketing Fund to primarily solicit new franchisees. Some media placement may advertise that franchises are available to be purchased, but it will be done in conjunction with the program of the City Brew Tours brand.

Although the Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Marketing Fund at any time. We will not terminate the Marketing Fund, however, until it has expended all money in the Marketing Fund for marketing, advertising and promotional purposes.

The Marketing Fund is not audited.

The City Brew Tours locations owned and operated by our Corporate Entities participate equally

with franchisees in contributing to the Marketing Fund.

During the 2022 fiscal year, we spent Marketing Fund monies as follows: 80% on media placement; 20% on administrative expenses. We do not use any Marketing Fund monies to solicit new franchise sales.

Local Marketing, Advertising and Promotion

In addition to any Marketing Fee we collect, you are required to spend an amount equal to the percentage of Net Revenues as provided for in the Chart below on approved local marketing and promotion in your Authorized Territory. In your first year of operations, the amount you must spend on local marketing will be calculated based on your Net Revenue during such year. In all subsequent years, the amount you must spend will be based on your Net Revenues for the prior fiscal year. Upon our request, you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. (Franchise Agreement, Section 7.2).

Net Revenues (Based on completed 12 month fiscal year)	Percentage of Net Revenues applicable
\$0-\$249,999.99	8.5%
\$250,000-\$499,999.99	7.5%
\$500,000 to \$749,999.99	6.5%
\$750,000+	5.5%

We may require you to engage a digital marketing consultant or service provider to provide pay-per-click, search engine optimization, and related digital marketing services to you. We may either require you to pay the service provider directly, or we may require you to pay the fees to us, to be remitted to the service provider. We may charge an administrative fee in addition to the service provider's fee to cover our administrative and management expenses associated with the digital marketing program. This fee is subject to increase based on changes to the fee charged by the service provider. Any fee paid to us or the service provider will be counted towards your minimum local marketing expenditure.

Cooperatives

We do not have advertising cooperatives and, as of the date of this disclosure document, do not intend to establish any.

Grand Opening Advertising

You must spend at least \$7,500 on a grand opening marketing and promotion as directed in the Electronic Operations Manual. (Franchise Agreement, Section 7.3)

Advertising Council/Advisory Committee

As of the date of this disclosure document, there is no advertising council composed of City Brew Tours franchisees.

Computer Requirements

You will be required to have computer hardware and software that is compatible with the computer system and software that we use. This includes a laptop or desktop computer, a high speed Internet connection and the credit or debit card processing we designate. The computer software package currently in use at City Brew Tours Business includes Bookeo, Talkdesk, Freshdesk, Slack, and Google Drive. Additional hardware and software may be required in the future, at your expense, as determined by us in our sole discretion. The estimated initial cost of purchasing your computer hardware and software is \$500-\$1,000, which includes installation and set-up fees. This cost may change from time to time based on our computer hardware and software requirements. There may be costs associated with updates to the computer hardware and software.

The computer software package developed for use in a City Brew Tours business may include proprietary software. You may be required to license the proprietary software from us or a third party and you also may be required to pay fees for the credit or debit card processing. All right, title and interest in the software will remain with the licensor of the software. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software, in addition to the other remedies provided under your Franchise Agreement. You will comply with all applicable privacy laws, and acknowledge and agree that we will have full, complete and unlimited access to the computer system for your City Brew Tours Business, including all information and data entered, produced and recorded by the computer system, which right of access shall include the right to enter your City Brew Tours Business and make a copy of such information or data and the right to access your computer system remotely. There are no contractual limitations on our right to access information in your City Brew Tours computer system. You must maintain at all times, the ability to receive and transmit communications from and to us over the Internet. You must, at all times, have Internet access with a form of high speed connection as we require and you must use and maintain the email account provided by us for Your City Brew Tours Business.

We reserve the right to require franchisees, at their expense, to install and maintain additional hardware and software, including software that will interface with our computer system over the Internet. We have no obligation to provide ongoing maintenance, repairs, upgrades or updates.

Territory Selection

In order to determine your Authorized Territory, you must provide us with the coordinates of your default center point ("DCP"), which must be approved by us in writing and will be identified on Schedule B of your Franchise Agreement. Your Authorized Territory shall be in and from within a twenty-five (25) mile radius as the crow flies from the coordinates of the DCP. Our general Authorized Territory approval criteria includes traffic patterns, area demographics and competitors. (Franchise Agreement, Section 2.1).

Typical Length of Time Before Operation

The typical length of time between the signing of the Franchise Agreement and the opening of a City Brew Tours Business is 60 days. You are expected to begin operations within 180 days from the signing of your Franchise Agreement. Factors affecting this length of time usually include obtaining a vehicle and permits, financing arrangements, completing training, local ordinance compliance questions and delivery/installation of equipment, materials, products and signs.

Training Program

Initial Training

Our Initial Training consists of a maximum of 10 days of training for 2 individuals (your operating partner and 1 additional person) (“**Trainees**”) as follows: (1) in-person training in one of our corporate owned locations, or at any other location as we may specify; (2) remote or virtual training; and/or (3) onsite training in your Authorized Territory. All Trainees must complete the Initial Training to our satisfaction at least 1 week, but not more than 12 weeks, before you may start to operate your City Brew Tour Business without our supervision. We will provide you with a commencement date for the Initial Training Program.

We will provide, at our expense, instructors, facilities and training materials consisting of the Electronic Operations Manual, slide presentations, document templates and mock experiences, phone call recordings and evaluation rubrics for the Initial Training of your operating partner and another employee or individual. You will be responsible for all expenses of your Trainees in the Initial Training including all travel, lodging and meal expenses and compensation of, including workers’ compensation insurance for, your Trainees.

All new Managers and all other successive Managers, if any, shall be required to attend the Initial Training. The fee for this training is \$50 per person per hour plus you will be responsible for all expenses of your Manager in the Initial Training, including all travel, lodging and meal expenses and compensation of, including workers’ compensation insurance for, your General Manager.

Chad Brodsky supervises the training programs. Mr. Brodsky has 14 years of experience managing and operating concepts similar to a City Brew Tours Business. Isaac Bell is the primary instructor for the Initial Training Program with 6 years of experience managing and operating concepts similar to a City Brew Tours Business.

A schedule for the Initial Training Program is as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Company Basics	2.5	-	Virtual/Remote
General Management	2.5	-	Virtual/Remote
Tour Operations	3	14	Your Authorized Territory/Virtual/Remote
Booking Platform & Customer Service	8	4	Virtual Remote/Your Authorized Territory
Marketing	4.5	-	Virtual/Remote
Launch Practices	3	-	Virtual/Remote
Private Events Sales	-	4	Virtual/Remote
Brewery Onboarding	-	12	Your Authorized Territory
Guide Training	-	8	Your Authorized Territory

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Flexible hours (Tailored to Franchisee's Self-identified Needs)	2.5	12	Your Authorized Territory/Virtual/Remote
TOTAL	26	54	

We currently do not require you to attend any part of the training program in person at any of our locations as our operations are fully remote. However, we will provide training to you in your Authorized Territory in person at our expense, as described above. If flexible hours are necessary, such hours must be identified and agreed to during the period of the Initial Training Program.

Ongoing Training

We may require you, or you may request to attend additional training programs at locations designated by us, which may be required for your employees. We will determine the duration, curriculum and location of these programs. You will be responsible for all costs and expenses associated with the training, including our training fee of \$50 per person, per hour and all travel, meals and lodging costs and compensation of, including workers' compensation insurance, for your attendees.

Our training programs may also be conducted by other senior personnel as well as outside consultants, whose services we may retain for specific training courses. No other formal training staff is maintained at present.

ITEM 12 TERRITORY

The Franchise Agreement grants you the right to operate your City Brew Tours Business within an Authorized Territory, but not an exclusive territory. You may face competition from other channels of distribution or competitive brands that we control. Your Authorized Territory will consist of a 25 mile radius around the coordinates of the default center point ("DCP") that we approve. If this 25 mile radius overlaps (i) an existing franchisee's (i.e. a franchisee that had a Franchise Agreement with us prior to the date you execute your Franchise Agreement) Authorized Territory, or (ii) the 25 mile radius around any of our Corporate Entities' operations (collectively, the "**Overlap Area**"), you may not operate your City Brew Tours Business within the Overlap Area. During the term of the Franchise Agreement, and as long as you are not in default, we will not directly or indirectly establish or operate nor grant the license or right to any other person to establish or operate any other City Brew Tours Business within the Authorized Territory using the City Brew Tours® trademarks.

The Tour Activities you conduct must be approved by us, in our sole discretion, and you may not conduct Tour Activities at breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services, other special events or venues that are capable of hosting tours of the type authorized by us that we or other franchisees have, prior to the date of your Franchise Agreement, scheduled Tour Activities within in your Authorized Territory. You will have the sole right to pick-up and drop-off customers and offer tour activities in and from your Authorized Territory, excluding any Overlap Area.

There is no minimum sales quota you must maintain to keep your Authorized Territory. However, you must obtain and maintain an overall average rating of 4 Stars or better on Google, TripAdvisor and

Yelp. We also internally evaluate the experience of customers that take our educational guided tours through “Net Promoter Scores” (or “NPS”) which rates them from 0 to 10. You must obtain and maintain an overall average rating of plus seventy (+70) or better on these evaluations. Any failure by you to maintain any rating shall constitute a failure by you and your City Brew Tours Business may be put on a three (3) month probation to cure this failure. If this failure is not cured within the probation period or a second failure occurs in the future, we have the right to terminate your Franchise Agreement.

You will not receive any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory or contiguous areas.

You will use our website and intranet or extranet site. You may not maintain a separate World Wide Web page or otherwise maintain a presence or advertise your City Brew Tours Business on the Internet or any other public computer network or social media site except as required, sponsored, placed or approved in writing by us.

During the franchise term we may, without compensation to you:

(1) Sell (or authorize others to sell) services authorized for City Brew Tours Businesses, using trade names, Trademarks, service Trademarks and commercial symbols other than the Trademarks (as defined in the Franchise Agreement);

(2) Operate and grant to others the right to operate City Brew Tours Businesses that are located in any other territory;

(3) Sell (or authorize others to sell) services other than the Services, including but not limited to, consulting services, using the Trademarks within or outside of the Territory with no compensation to you. Except with our prior written approval and as provided for specifically in this Agreement, the license granted to you does not provide you with any right to any right to exclude, control or impose conditions on our development of future franchised or company-owned City Brew Tours businesses at any time or at any location;

(4) Purchase or acquire, through merger, acquisition or otherwise, mobile entertainment tour businesses, companies or franchisors which own or franchise mobile entertainment tour businesses, operating under the Trademarks, whether such businesses are located within or outside of your Authorized Territory;

(5) Market, promote or sell services relating to or competitive with the Business through other channels of distribution, including without limitation, through the Internet or worldwide web, through smart phone or other digital applications, mail order or catalogs, through telemarketing or other direct marketing or through any other form of distribution channel or method from and at any location, even in the Territory, using the Trademarks or under trade names, Trademarks or service Trademarks other than the Trademarks; and

(6) Be acquired (regardless of the form of transaction) by a mobile entertainment tour business or other business, even if such business operates, franchises and/or franchises competitive businesses within the Territory.

We retain all rights that are not expressly granted to you under the Franchise Agreement. Furthermore, we may, among other things, on any terms and conditions we deem advisable, without compensation to you or any franchisee, and without granting you any rights therein establish and/or license others to establish franchised or company-owned City Brew Tours businesses at any location outside your

Authorized Territory under any terms and conditions we deem appropriate, regardless of the proximity to your Authorized Territory or the actual or threatened impact on sales within your Authorized Territory.

ITEM 13 TRADEMARKS

We grant you a nontransferable, non-exclusive license to use the City Brew Tours® trade name and service mark and other marks. You must follow our rules when you use the marks. You cannot use the marks as part of a corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use the marks in any manner that we have not authorized in writing.

Under the Franchise Agreement, you will receive a non-exclusive license to use the following principal trademarks that we have registered either on the Principal Register or Supplemental Register of the United States Patent and Trademark Office (“USPTO”). Specifically, our affiliate, CBTG, registered our mark with the USPTO on the Principal Register as follows:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
CITY BREW TOURS EST. 2008	6150573	September 15, 2020

In addition, CBTG registered our mark with the USPTO on the Supplemental Register as follows:

MARK	SERIAL OR REGISTRATION NUMBER	SUPPLEMENTAL REGISTER APPLICATION OR REGISTRATION DATE
CITY BREW TOURS	<u>Serial No.</u> 87176650	<u>Application Date:</u> September 20, 2016
	<u>Registration No.</u> 5940318	<u>Registration Date:</u> December 17, 2019

The foregoing mark registered on the Supplemental Register does not have as many legal benefits and rights as federally registered trademarks on the Principal Register. If our right to use the mark registered is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Effective as of April 4, 2019 we entered into an exclusive license agreement with CBTG for the use of the marks (“**License Agreement**”). The term of the License Agreement is 20 years with one option to renew for an additional 20-year period upon expiration. The License Agreement may be terminated by either us or CBTG due to a material breach of any of its provisions. Under the License Agreement, we have acquired the right to sell City Brew Tours franchises in the United States of America and collect franchise fees, royalties and other fees from franchisees. If we breach the License Agreement, or if the License Agreement is otherwise terminated, you may lose your rights to use the marks.

Other than the Franchise Agreement and License Agreement, there are no other agreements currently in effect that significantly limit our right to use or license the use of the marks. There are no currently effective determinations of the USPTO, the trademark trial and appeal board, the trademark

administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the marks. We are not aware of any infringing uses that could materially affect your use of the marks.

If you become aware of any apparent infringement, unfair competition or other challenge to your right to use any mark, or if you become aware of any use of or claim to any mark, name, logo or any other commercial symbol identical to or confusingly similar with any mark, you must immediately notify us in writing. We shall have the sole discretion to take any action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of this infringement, challenge or claim. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a mark or if the proceeding is resolved unfavorably to you.

We reserve the right to modify or discontinue use of any names, trademarks, service marks or other marks or to add additional names, trademarks, service marks or other marks at our discretion. You must make any additions, deletions, and modifications to all interior and exterior signs, apparel, business cards, printed material, displays, paper products, advertising and anywhere else any of the marks may appear as we direct at your sole cost and expense and without compensation or reimbursement from us. You must, at your sole cost and expense and without compensation or reimbursement from us, discontinue your use of any name, trademark, service mark or other Mark, as we may direct you to discontinue at any time. We are not responsible for any expenses, losses or damages sustained by you as a result of any addition, discontinuance or modification and you are prohibited to join in any litigation against us if any of these expenses, losses or damages is incurred.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We will provide you with access to each of our publications, which contain our general operating procedures (the “**Electronic Operations Manual**”). The Electronic Operations Manual is confidential and remain our property. We will modify the Electronic Operations Manual, but the modifications will not alter your status and rights under the Franchise Agreement. The tables of contents for the Electronic Operations Manual are included in Exhibit G to this disclosure document. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate.

Your Franchise Agreement does not require us to protect these copyrights or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving these copyrights. You must keep your login information confidential and only allow access to the Confidential Electronic Operations Manual to those employees requiring access for the proper operation of the business. Upon the expiration or termination of your franchise, your login information will be immediately deactivated. We reserve the right to change your login information at any time or to require you to change login information randomly or in intervals in our sole and absolute discretion.

There are currently no effective determinations of the Copyright Office or any court regarding any of the copyrighted materials. No agreements are in effect which significantly limit our right to use or license the copyrighted materials. Finally, we are not aware of infringing uses that could materially affect a franchisee’s use of the copyrighted materials in any state. The Franchise Agreement does not require us to protect or defend copyrights or confidential information, although we intend to do so when it is in our best interest.

You must not use in advertising or any other form of promotion, our copyrighted materials,

trademarks, service marks or commercial symbols without the appropriate notices, which may be required by law or us including any and all registration notices.

You must treat the Electronic Operations Manual, any other manuals created for or accepted for use in the operation of your City Brew Tours Business, and the information contained in them, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, or otherwise make them available to any unauthorized person. The Electronic Operations Manual, which is loaned to you for use, will remain our sole property and must be kept in a secure place at the City Brew Tours Business. If electronically provided, you must not divulge your user name or password to anyone without our prior written consent.

We may revise the contents of the Electronic Operations Manual at any time and as we deem necessary or appropriate. We will notify you of revisions in writing. You must comply with each new or changed standard immediately upon notification. You must ensure that the Electronic Operations Manual is kept current at all times. In the event of any disputes as to the contents of the Electronic Operations Manual, the terms of the master copy maintained by us at our home office will be controlling.

We will disclose to you certain confidential or proprietary information and trade secrets. Except as is necessary for the operation of your City Brew Tours Business and as we approve, you may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the services, advertising, marketing, designs, plans, or methods of operation of your City Brew Tours Business or the City Brew Tours System. You may disclose to your employees only that confidential, proprietary or trade secret information as is necessary to operate the business and then only while the Franchise Agreement is in effect. Any and all information, or knowledge, including, materials, equipment, marketing, and other data, which we designate as secret or confidential, will be deemed secret and confidential for purposes of the Franchise Agreement.

At our request, you must require your Manager, and any personnel having access to any of our confidential information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you at your City Brew Tours Business. The covenants must be in a form satisfactory to us, including, specific identification of us as a third-party beneficiary of the covenants, with the independent right to enforce them.

We also consider our trade dress (i.e., elements of the City Brew Tours method and style of doing business) inherently and uniquely distinctive and protectable under applicable Federal and State law.

We do not presently own any patents.

Should you or anyone affiliated with you develop any discoveries, ideas, modification or additions related to the operation of City Brew Tours Businesses, you shall immediately advise us of such discovery or idea in writing. We may authorize the use and/or dissemination of such discovery or idea, and you agree not to implement the discovery or idea until authorized to do so by us. All such discoveries and ideas developed or used in connection with any City Brew Tours Business and/or the City Brew Tours System are our property, regardless of whether developed by us, you, or otherwise. No compensation is due to you on account of any such discovery or idea.

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

You are obligated to personally and directly supervise the operation of your City Brew Tours Business unless otherwise permitted in writing by us. You are required to devote the amount of your time, attention and best efforts to the performance of your duties under the Franchise Agreement that is necessary for the proper and effective operation of your City Brew Tours Business.

If you are an individual, you shall serve as the Manager for your City Brew Tours Business or may designate a Manager who shall be responsible for the operations of the City Brew Tours Business when you are not available. The City Brew Tours Business shall at all times be under the direct, on-site or remote supervision of you or your Manager that has successfully completed our Initial Training Program.

You shall inform us in writing as to the identity of your Manager and any successor Managers. Your Manager will have day-to-day management responsibility for the City Brew Tours Business, exercise on-premises supervision, and personally participate in the direct operation of the City Brew Tours Business. Each Manager must complete to our satisfaction our Initial Training Program.

Each Manager shall be required to sign a Confidentiality/Non-Competition Agreement provided by us, and may divulge only Confidential Information necessary to operate the City Brew Tours Business, and only to those of your employees, agents or independent contractors who need access to it for this purpose. You are obligated to take all necessary precautions to ensure that all your employees retain the Confidential Information in confidence. Your Manager is not required to have any equity interest in your Business.

If you are a corporation, limited liability company, partnership, limited partnership or any other type of legal entity formed in compliance with applicable law (“**Business Entity**”), then all owners of the Business Entity must sign an agreement under which all owners agree to be jointly and severally liable for all the obligations to us under the Franchise Agreement, and to be bound by all the terms, conditions and covenants of the Franchise Agreement. (Schedule E to Franchise Agreement).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must confine your business to the operation of a City Brew Tours Business. You may not conduct any other business or activity at or from your City Brew Tours Business. You may identify your City Brew Tours Business only by the trade name and service mark “City Brew Tours®.” You must offer all of the products and services that we prescribe, and we may change the products and services from time to time at our discretion. You may not offer or sell any product or service from your City Brew Tours Business except those we authorize.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or on the customers to whom you may offer or sell.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Franchise Agreement ("FA") Section 3.1	Initial term is for seven (7) years.
b.	Renewal or extension of the term	FA Section 3.2	You may renew your license for two (2) renewal terms of seven (7) years each.
c.	Requirements for franchisee to renew or extend	FA Section 3.2	(i) you have given us written notice of your decision to renew at least six (6) months but not more than twelve (12) months prior to the end of the expiring term or the renewal period, as the case may be; (ii) you sign our then-current form of franchise agreement, the terms of which may differ from this Agreement, including higher fees, as well as sign all our other then-current accessory agreements, such as a Personal Guarantee Agreement; (iii) you have updated the City Brew Tours concept and trademarks and you perform any further items of modernization and/or replacement to the vehicles, hardware, software and publicity as may be necessary for your City Brew Tours Business to conform to the standards then applicable to new City Brew Tours Businesses; (iv) you are not in default of your Franchise Agreement or any other agreement pertaining to the license granted, have satisfied all monetary and material obligations on a timely basis during the initial term or the renewal period, as the case may be, and are in good standing with us; (v) you comply with our then-current training requirements; (vi) you pay us, at least thirty (30) days prior to the end of the expiring term or the renewal period, as the case may be, a renewal fee in an amount representing fifty percent (50%) of the then current Initial Franchise Fee for new City Brew Tours franchisees; and (vii) you and the personal Guarantors execute a general

	Provision	Section in Franchise Agreement	Summary
			release of claims in a form we prescribe.
d.	Termination by franchisee	N/A	Franchisees may terminate the agreement under any grounds permitted by state law.
e.	Termination by franchisor without cause	N/A	N/A
f.	Termination by franchisor with cause	FA Section 13.2.1	We can terminate you only if you default under your Franchise Agreement or any other agreement between you or your affiliates and us or our affiliates.
g.	“Cause” defined – curable defaults	FA Sections 13.2.1, 13.2.3 and 15.4	Except for non-curable defaults, you will have 30 days to cure any default under your Franchise Agreement, other than (i) a failure to pay amounts due or submit required reports, in which case you will have five (5) days to cure those defaults; or (ii) a health, safety or security law violation, in which case you will have 48 hours to cure. You will pay us an amount of one hundred dollars (\$100.00) per day for the duration of the default multiplied by the number of defaults.
h.	“Cause” defined – non-curable defaults	FA Sections 2.3 and 13.2.2	In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and your Franchise Agreement will terminate effective immediately on our issuance of a written notice of termination if you fail to open your City Brew Tours Business within the required amount of time; or (i) you make any material misrepresentation or omission in your franchise application; (ii) your voluntary abandonment of the Franchise Agreement or your City Brew Tours Business; (iii) your loss of any permits to operate your City Brew Tours Business; (iv) your failure to obtain and maintain an overall average rating of 4 Stars or better on Google, Yelp and Trip Advisor and/or your failure to maintain an overall rating of plus seventy (+70) on NPS upon the expiration of the probation period; (v) the closing of your City Brew Tours Business by any federal, state, or local authorities for health, security or public safety reasons; (vi) you hold City Brew Tours Business Activities outside the Authorized Territory or you pick-up or drop off customers outside the Authorized Territory; (vii) your failure to open and

	Provision	Section in Franchise Agreement	Summary
			<p>operate office services, including a call center, six (6) days a week, from 10am to 6pm, or to offer educational guided tours to the public from Thursday to Sunday, every day of the year, without our prior written approval; (viii) failure to successfully complete our initial training program; (ix) any disclosure or unauthorized use of the Confidential Information; (x) insolvency of you, an Operating Partner or a Guarantor; (xi) you, an Operating Partner or a Guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; (xii) any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks and/or the CBT Concept; (xiii) conviction of you, any Operating Partner or a Guarantor of (or pleading not guilty to) any indictable offence regardless of the nature of the charges, or any offence that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the City Brew Tours Business; (xiv) intentionally understating or underreporting Net Revenues, Royalty Fees or Marketing Fees or any understatement or two percent (2%) variance on a subsequent audit within a three (3) year period; (xv), any unauthorized transfer or assignment by you; (xvi) receipt by you from us during any consecutive twelve (12) month period of three (3) or more written notices relating to a default under this Agreement, or under any other agreement between you and us, whether such notices relate to the same or different defaults and whether or not such defaults have been remedied by you; brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or your City Brew Tours Business; or (xvii) default by you under any other agreement between you or your affiliates and us or our affiliates.</p>
i.	Franchisee's obligations on	FA Section 14.1	On termination you will lose all of your rights to the use of the Trademarks, the CBT

	Provision	Section in Franchise Agreement	Summary
	termination/non-renewal		<p>Concept and all other rights and licenses granted to you in the Authorized Territory. You must immediately comply with the post-term non-compete obligations, cease all use and display of and refrain from all use and display of the Trademarks and/or trademarks or material confusingly similar to the Trademarks, and of any proprietary material (including the Operations Manual) and of all or any portion of Computer System materials furnished or approved by us, assign all right, title and interest in the telephone and facsimile numbers for the City Tours Business and cancel or assign, at our option, any business or trade name rights or equivalent registrations filed with authorities. You must pay all sums due to us. You must immediately return to us, at your expense, all copies of the Operations Manual, Confidential Information, and customer lists then in your possession or control or previously disseminated to your employees, and continue to comply with the confidentiality provisions in the Franchise Agreement. You must promptly remove or destroy all signage, displays or other materials in your possession that bear any of the Trademarks or trademarks, names or material confusingly similar to the Trademarks and so alter the appearance of all vehicles as to differentiate them unmistakably from duly licensed business identified by the Trademarks. You must pay us liquidated damages equal to the Royalties and Marketing Fees that we would have received for three (3) years based on your most recent annual Net Revenues. If your City Brew Tours Business has not been open for one (1) year immediately preceding termination, the liquidated damages will be calculated by taking the number that is the monthly average of Royalties and Marketing Fees payable to us from the date your City Brew Tours Business was opened through the date of termination and multiplying it by thirty-six (36). If the time remaining in the Franchise Agreement is less than thirty-six (36) months, the monthly average as calculated above will be multiplied by the</p>

	Provision	Section in Franchise Agreement	Summary
			number of months remaining in the Term of this Agreement.
j.	Assignment of contract by franchisor	FA Section 12.5	We have an unlimited right to assign the Franchise Agreement.
k.	“Transfer” by franchisee – defined	FA Section 12.1	Any sale, lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Any change, pledge, hypothecation or seizure of any ownership interest in you that affects the ownership of five per cent (5%) or more of you shall constitute a transfer.
l.	Franchisor approval of transfer by franchisee	FA Section 12.2	We have the right to approval all transfers and assignments.
m.	Conditions for franchisor approval of transfer	12.4	(i) The assignee must meet all of our then-current requirements for the City Brew Tours franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement, modified to reflect the term remaining under this Agreement; (ii) all amounts owed by you to us or your suppliers, or upon which we have any contingent liability, must be paid in full; (iii) you must have provided all required reports to us; (iv) your vehicles are clean and good repair and, if required, replaced and refreshed in accordance with our requirements; (v) all of the shareholders, directors and officers of the assignee or anyone we require, provides us with a guarantee of the assignee’s obligations under the franchise agreement and signs our then current Personal Guarantee Agreement, (vi) you, the Operating Partner and each Guarantor must sign a general release of all claims arising out of or relating to this Agreement, your City Brew Tours Business or the parties’ business relationship, in the form we designate, releasing us; (vii) the

	Provision	Section in Franchise Agreement	Summary
			assignee must, at your or assignee's expense, comply with our training requirements; (viii) we have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to your City Brew Tours Business and its operations reasonably necessary or appropriate for assignee and/or us to evaluate your City Brew Tours Business and the proposed transfer; and (ix) you must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.
n.	Franchisor's right of first refusal to acquire franchisee's business	FA Section 12.4.10	We can match the offer you receive for the sale of your City Brew Tours Business.
o.	Franchisor's option to purchase franchisee's business	FA Sections 3.3 and 14.02	We have the right to purchase your City Brew Tours Business or assets upon the expiration or termination of your Franchise Agreement.
p.	Death or disability of franchisee	FA Section 16	The franchise can be transferred to a third party approved by us upon your death, disability or incapacity. Transfer conditions apply (see M above).
q.	Non-competition covenants during the term of the franchise	FA Section 15.1	You will not, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, assist, maintain, engage in, consult with or have any interest in any Competing Business (defined in Section r below) during the term of your Franchise Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	FA Section 15.1	You will not, for a period of eighteen (18) months after the expiration or termination of your Franchise Agreement, regardless of the cause of termination, or within five (5) years of the sale of the City Brew Tours Business or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, assist, maintain, engage in, consult with or have any interest in a Competing Business: (i) that is situated or operates within the inner limits of the Authorized Territory; (ii) that is situated in the state in which you

	Provision	Section in Franchise Agreement	Summary
			operated your City Brew Tours Business and that promotes Tour Activities in the Authorized Territory; (iii) that is situated in the United States and that sells franchises or licenses that promote Tour Activities in the Authorized Territory and/or in the authorized territory of any other City Brew Tours business using the Trademarks; or (iv) that is situated, operates or promotes Tour Activities in the exclusive territory of any other City Brew Tours business using the Trademarks and is situated in the state in which you operate your City Brew Tours Business, whether franchised or owned by us. "Competing Business" means a business that offers any tours conducting educational guided tours of breweries, distilleries, cider houses, restaurants and/or taverns and/or offering rent-a-guide services and/or special alcohol-related events, beer-dinners, and alcohol themed festivals.
s.	Modification of the agreement	FA Section 18.2	No modification unless in writing.
t.	Integration/merger clause	FA Section 18.2	<p>The Franchise Agreement together with all schedules and amendments constitutes the entire agreement between the parties and supersedes and replaces any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.</p> <p>No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.</p>

	Provision	Section in Franchise Agreement	Summary
u.	Dispute resolution by arbitration or mediation	FA Section 17.1	Before any party may bring an action against the other or commence an arbitration proceeding, the parties must first meet to mediate the dispute.
v.	Choice of forum	FA Section 17.3	All disputes shall be litigated solely in Waltham (Boson), Massachusetts, subject to applicable state law.
w.	Choice of law	FA Section 17.2	Massachusetts law governs, subject to applicable state law.

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit L attached to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

City Brew Tours does not currently use any public figures to promote its franchise.

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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 documents. 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.

The following tables present a historic representation of financial performance for all franchised outlets (each, a “**Franchised Outlet**”) and all outlets operated by Corporate Entities (each, a “**Corporate Outlet**”), in each case that were in operation from January 1 to December 31 in one or more of the following calendar years: 2018, 2019, 2020, 2021, and 2022 (each, a “**Measurement Period**”).

As of December 31, 2022, there were 12 open and operating Corporate Outlets and 4 open and operating Franchised Outlets. We have excluded the results of 2 Corporate Outlets that opened in 2022 and therefore were not open and operating during any full Measurement Period. We have excluded the results of one Franchised Outlet that opened in 2022 and therefore was not open and operating during any full Measurement Period.

All Corporate Outlets that were open during the 2020 and 2021 Measurement Periods were required to temporarily close due to the COVID-19 pandemic. Except for the Portland Corporate Outlet, results for these Corporate Outlets are nonetheless included in the following tables. The Portland Corporate Outlet formally opened in 2019 but was closed for most of 2020 and 2021. Therefore, data for the Portland Corporate Outlet is presented for the 2022 Measurement Period only, which is the first full year it was open.

Table 1 – Corporate Outlets

Corporate Outlet	Fiscal Year (Cumulative Months Operating in Market) ⁽¹⁾	Gross Sales ⁽²⁾	Tours Rendered (Guest Count) ^{(3) (4)}
Burlington	2018 (126)	\$315,534	306 (3,311)
	2019 (138)	\$327,553	302 (3,355)
	2020 (144)	\$73,916	71 (527)
	2021 (151)	\$114,793	114 (1,108)
	2022 (163)	\$229,236	181 (1,850)

Corporate Outlet	Fiscal Year (Cumulative Months Operating in Market) ⁽¹⁾	Gross Sales ⁽²⁾	Tours Rendered (Guest Count) ^{(3) (4)}
Boston	2018 (80)	\$896,323	733 (8,906)
	2019 (92)	\$800,345	649 (7,840)
	2020 (95)	\$138,779	87 (812)
	2021 (102)	\$215,388	161 (1,751)
	2022 (114)	\$525,008	345 (4,115)
D.C.	2018 (54)	\$319,949	306 (3,249)
	2019 (66)	\$391,9339	293 (3,651)
	2020 (69)	\$72,134	56 (484)
	2021 (77)	\$67,745	44 (497)
	2022 (89)	\$187,226	158 (1,600)
Philadelphia	2018 (42)	\$379,700	337 (3,835)
	2019 (54)	\$295,519	297 (2,791)
	2020 (57)	\$80,508	52 (539)
	2021 (64)	\$90,832	64 (657)
	2022 (76)	\$201,719	171 (1,687)

Corporate Outlet	Fiscal Year (Cumulative Months Operating in Market) ⁽¹⁾	Gross Sales ⁽²⁾	Tours Rendered (Guest Count) ^{(3) (4)}
Baltimore	2018 (27)	\$192,031	184 (1,823)
	2019 (39)	\$174,582	184 (1,950)
	2020 (42)	\$48,674	30 (282)
	2021 (50)	\$44,388	47 (337)
	2022 (62)	\$109,636	95 (804)
Pittsburgh	2018 (19)	\$239,350	259 (2,504)
	2019 (31)	\$307,819	290 (3,168)
	2020 (34)	\$53,908	42 (395)
	2021 (42)	\$88,105	80 (768)
	2022 (54)	\$218,422	179 (1,799)
New York City	2019 (19)	\$157,486	144 (1,370)
	2020 (21)	\$57,712	22 (183)
	2021 (28)	\$52,808	57 (490)
	2022 (54)	\$100,409	109 (898)

Corporate Outlet	Fiscal Year (Cumulative Months Operating in Market) ⁽¹⁾	Gross Sales ⁽²⁾	Tours Rendered (Guest Count) ^{(3) (4)}
Cleveland	2019 (12)	\$84,895	98 (864)
	2020 (18)	\$41,914	33 (202)
	2021 (26)	\$63,986	69 (592)
	2022 (38)	\$136,824	124 (1,111)
Des Moines	2022 (15)	\$52,072	58 (502)
Portland	2022 (13)	\$132,632	110 (1,029)

Footnotes to the Above Table 1:

- (1) The “Cumulative Months” in the above table show the total months that each Corporate Outlet was open, operating and rendering tours. Because of the COVID-19 pandemic, this is not a full 12 months for calendar years 2020 and 2021.
- (2) “Gross Sales” means all revenues and income from whatever source derived or received from, through, by or on account of the operation of the Corporate Outlet, whether received in cash, in services, in kind, on credit, bartering or otherwise, but excludes pre-paid gratuity, sales taxes and returns. Due to the COVID-19 pandemic, operations in some locations pivoted away from in-person tours due to local requirements and mandatory government closures. Gross Sales figures does not include revenue from operations not included in the System.
- (3) “Tours Rendered” are the number of public and private tour departures the Corporate Outlet ran in a given fiscal year. “Guest Count” is the number of individuals attending those tours.
- (4) In fiscal year 2019, the automobile liability policies of the Corporate Outlets listed in the above table (except for the Portland Corporate Outlet, which was not yet open) were victims of insurance fraud that resulted in the suspension of tour operations from May 23, 2019 through July 1, 2019.

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Table 2 – Franchised Outlets

Franchised Outlet	Fiscal Year	Gross Sales ⁽¹⁾
Outlet 1	2022	\$50,709
Outlet 2	2022	\$83,012
Outlet 3	2022	\$49,523

Footnotes to the Above Table 2:

- (1) “Gross Sales” means all revenues and income from whatever source derived or received from, through, by or on account of the operation of the Franchised Outlet, whether received in cash, in services, in kind, on credit, bartering or otherwise, but excludes pre-paid gratuity, sales taxes and returns.

Notes to Item 19:

- The above-noted Corporate Outlets did not pay royalties, but they contributed to the Marketing Fund. Additionally, the above Corporate Outlets benefited from internal efficiencies (such as accounting support, legal support, and other support) to which your City Brew Tours Business may not have access.
- We obtained Gross Sales from the sales records and reports that are generated by the computer systems for each Corporate Entity. Franchisees provided Gross Sales data for Franchised Outlets, and we have not independently audited these data. Tours Rendered and Guest Count data were not available for Franchised Outlets.
- Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. We are under no obligation to disclose specific information for a particular City Brew Tours Business in the system.
- **Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.**

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing City Brew Tours Business, however, we may provide you with the actual records of that Business. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. Chad Brodsky, 675 VFW Pkwy, #257, Chestnut Hill, MA, 02467, (888) 623-8687, franchising@citybrewtours.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For the Years Ended December 31, 2020, 2021 and 20212

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised ⁽¹⁾	2020	1	1	0
	2021	1	4	+3
	2022	4	4	0
Company-Owned or Affiliated- Owned	2020	9	9	0
	2021	9	10	+1
	2022	10	12	+2
Total Outlets	2020	10	10	0
	2021	10	14	+4
	2022	14	16	+2

(1) In addition, we have one franchised location in Montreal, Quebec; however, that location is not included in the above table or in Item 20.

Table No. 2

**Transfers of Outlets From Franchisees To New Owners (Other Than Franchisor) For the
Year Ended December 31, 2020, 2021 and 2022**

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3

**Status Of Franchised Outlets
For the Years Ended December 31, 2020, 2021 and 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
AL	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NC	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	1	1
NJ	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Total	2020	1	0	0	0	0	0	1
	2021	1	3	0	0	0	0	4
	2022	4	1	0	0	0	1	4

Table No. 4

**Status of Company-Owned and Affiliate-Owned Outlets
For the Years Ended December 31, 2020, 2021 and 2022**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
IA	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
MA	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
MD	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
NC ⁽¹⁾	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
NY	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
OH	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
OR ⁽²⁾	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
PA	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
UT	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
VT	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Wash., DC	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total	2020	9	0	0	0	0	9
	2021	9	1	0	0	0	10
	2022	10	2	0	0	0	12

(1) CBTG acquired a franchised outlet in Raleigh, NC and moved operations to Ashville, NC.

(2) CBTG acquired a pre-existing craft brew tour business in October 2019 located in Portland, Oregon.

Table No. 5

Projected Sales and Openings as of December 31, 2021

State	Franchise Agreements Signed as of December 31, 2022 But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year ⁽¹⁾	Projected New Company-Owned Outlets In the Next Fiscal Year
Arizona	0	1	0
Colorado	0	1	0
Florida	0	1	0
Nevada	0	1	0
Tennessee	0	1	0
Texas	1	1	0
South Carolina	0	1	0
Wisconsin	1	1	0
Total	2	8	0

(1) Of these projected franchised openings for 2023, 3 are now open (Tampa, FL, Austin, TX and Milwaukee, WI).

Exhibit I hereto provides the contact information of our current franchisees. This list does not include our Canadian franchisee. Exhibit J provides the contact information of any former franchisee. No franchisees terminated, canceled, or did not renew as of the date of this disclosure document. No franchisees otherwise voluntarily or involuntarily permanently ceased to do business under their Franchise Agreement in the last fiscal year. If you buy a franchise from us, your contact information may be disclosed to other buyers when you leave the franchise system.

There are currently no franchise advisory councils associated with the City Brew Tours franchise system. No City Brew Tours franchisees have signed confidentiality clauses restricting their ability to speak openly about their experience with the City Brew Tours franchise system.

ITEM 21 FINANCIAL STATEMENTS

Attached to this document as Exhibit H are our unaudited financial statements from January 1 to March 31, 2023; our audited financial statements as of December 31, 2022, 2021 and 2020. Our fiscal year ends on December 31.

ITEM 22 CONTRACTS

Attached to this document are copies of the following agreements:

Exhibit B to Disclosure Document	Franchise Request Form
Exhibit C to Disclosure Document	Confidentiality and Non-Disclosure Agreement
Exhibit D to Disclosure Document	Deposit Agreement
Exhibit E to Disclosure Document	Franchise Agreement
Schedule A to Franchise Agreement	Data Sheet
Schedule D to Franchise Agreement	ACH Withdrawal Authorization
Schedule E to Franchise Agreement	Personal Guarantee
Schedule G to Franchise Agreement	Form of Franchise Compliance Certificate
Exhibit K to Disclosure Document	Form of General Release
Exhibit L to Disclosure Document	State Addenda

ITEM 23 RECEIPT

The last two pages of this disclosure document are two detachable documents acknowledging receipt of this disclosure document. Please sign both receipt pages and return one fully-executed Receipt to us.

EXHIBIT A

TO DISCLOSURE DOCUMENT

STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

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.

State	State Regulatory Agency	Agent to Receive Process in State, if Different than the State Regulatory Agency
California	Department of Financial Performance and Innovation <i>Los Angeles</i> 320 West 4 th Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 <i>Sacramento</i> 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 <i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565 Toll Free (866) 275-2677	Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2727	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	

Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 335-7657	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce Securities Unit 85 7 th Place East, Suite 280 St. Paul, MN 55101
New York	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 28 Liberty Street New York, NY 10005 (212) 416-8236	Attention: New York Secretary of State New York Department of State The Division of Corporations One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	

South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219-3630 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT B

TO DISCLOSURE DOCUMENT

FRANCHISE REQUEST FORM



CITY BREW
EST. **TOURS** 2008

FRANCHISE
REQUEST FORM

ALL APPLICANTS PLEASE READ THE FOLLOWING:

This Application is used to help determine your suitability to own and operate a City Brew Tours Franchise or a Corporate Store. We will rely on the information you provide us in order to make a decision concerning your suitability. All information contained in this application will be treated as confidential information. This Application is not a contract, and does not obligate either party in any manner except as it relates to the Confidentiality & Non-Disclosure Agreement. All Applicants and Potential Franchisee should've signed and submitted a Confidentiality & Non-Disclosure Agreement before completing this Application form.

PERSONAL INFORMATION (One form per person)

Name: _____
First Name Initials Last Name

Current Address: _____

Cell Phone: _____

Home: _____

Work: _____

Email Address: _____

Social Security Number: _____

Driver's license: _____ State/Province _____

Date of birth: _____ / _____ / _____
Day Month Year

Include former address if different during the last two (2) years:

Address: _____

PREVIOUS EMPLOYER & WORK EXPERIENCE

Current Job: _____ Position: _____ Dates: _____ to _____

Responsibilities: _____

Previous Job: _____ Position: _____ Dates: _____ to _____

Responsibilities: _____

Can we communicate with your current or previous employer for more information? ☐ Yes ☐ No

Have you ever owned or managed a business or franchise? If yes, explain:

Specify your experience in the management of a business (circle or check):

Sales ☐ Publicity ☐ Accounting ☐ Computer Technology ☐
Operations ☐ Supervision ☐ H/R ☐ Administrative ☐

Details:

Have you ever been involved in a bankruptcy? If yes, explain:

Have you or your business ever been sued? If yes, explain:

Have you previously been accused of a criminal act? If yes, explain:

EDUCATION HISTORY

Name and locations of Educational Institution: _____

Highest Level Attained: _____

Date of Graduation: ____ / ____ / ____

Degree / Concentration: _____

Business Skills: _____

Marketing & Advertising Training: _____

BUSINESS CAPITLIZATION & STRUCTURE

Will you have business partners? If yes, provide the business partner(s) name(s) below. If not, please state how you propose to manage the business.

Will you be active full time or part time? ☐ Full-time ☐ Part-time ☐ Passive Investor

Will your partners be full time or part time? ☐ Full-time ☐ Part-time ☐ Passive Investor

Preferred Territory/City (if accepted):

Personal references (excluding parents and previous employer):

Name	Telephone	Relationship
_____	(____) _____	_____
_____	(____) _____	_____

Do you plan to ask CBT Ventures LLC to finance any part of the franchise fee? ☐ Yes ☐ No
 Please specify how much? _____

MONTHLY INCOME Salary(s): _____ Spouse: _____ Interest: _____ Rent: _____ Other(s): _____ _____ TOTAL: \$ _____ _____	CURRENT DEBTS (MONTHLY) Mortgage(s): _____ Credit Card(s): _____ Loan payment(s): _____ Car Payments: _____ _____ Other(s): _____ _____ TOTAL: \$ _____ _____
ASSETS Cash: _____ Titles(s): _____ Life insurance(s): _____ Surrender value: _____ Car(s): _____ Real Estate: _____ Commercial interests: _____ Other assets: _____ _____ TOTAL ASSETS: \$ _____ _____	LONG TERM DEBTS Promissory Notes: _____ Line of credit: _____ Unpaid taxes: _____ Balance of Car Loan: _____ Mortgage Balance: _____ Other Debts: _____ Other Debts: _____ _____ TOTAL DEBTS: \$ _____ _____

I certify that all the declarations that I made in the present document are true. My signature constitutes the authorization for CBT Ventures LLC to obtain information from credit agencies, banks and other creditors. All said information will remain confidential.

I acknowledge that CBT Ventures LLC is always careful about protecting the confidentiality of the personal information it keeps on its franchisees and/or potential candidates. Thus, the personal information that CBT Ventures LLC keeps or will keep on my subject, is and will be treated in a confidential manner and consigned in a file whose object is to makes it possible to respect the

obligations stemming from the Act with respect to the protection of personal information in the private sector. Only those employees of the company who must consult in their performance of their duties will consult this information.

I acknowledge that I can have access to my file and have the information therein rectified if I show that it is inaccurate, incomplete or unnecessary. I must then make a written request to the attention of Mr. Chad Brodsky at the following address: 675 VFW Pkwy, #257, Chestnut Hill, MA, 02467.

Signature: _____

Date: _____

EXHIBIT C

TO DISCLOSURE DOCUMENT

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

CONFIDENTIALITY & NON-DISCLOSURE AGREEMENT (Potential Franchisee)



CITY BREW
EST. **TOURS** 2008

I, the undersigned, _____, residing at _____ (hereinafter called the "Potential Franchisee"), in consideration of the access granted by CBT Ventures, LLC (hereinafter "CBT") to certain confidential information and documents related to the City Brew Tours franchise concept, and/or operation of a franchise offering a home-based business offering educational guided tours specializing in breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events and merchandise known as "City Brew Tours", agree to preserve the confidentiality of same as follows:

1. I undertake not to disclose nor make any copies, without the prior written authorization of CBT, of any documents related to the City Brew Tours franchise concept and/or the operation of a franchise known as "City Brew Tours" that could be in my possession at any time and for any purpose whatsoever including, without limitation, all information, documents, supplier list, price list, operations manual, market studies, balance sheet, budgets, financial information and any other documents, information and contracts related, directly or indirectly, to the City Brew Tours franchise concept and/or to the operation of a franchise known as "City Brew Tours" (hereinafter collectively referred to as the "Confidential Information").
2. Upon request by CBT, I agree to promptly return all Confidential Information including any and all copies thereof to CBT.
3. Furthermore, for an unlimited period of time as of the date of the present, I undertake not to disclose to any person other than my advisers under professional secrecy, my ongoing negotiations with CBT with respect to the grant of an eventual franchise of a business known as "City Brew Tours", for any reason whatsoever, and not to disclose or use, for any other purpose whatsoever, the Confidential Information that I have had or will have access to during my discussions and negotiations with CBT. I also guarantee that the aforementioned advisors shall not disclose the Confidential Information to any third party. Such disclosure shall be deemed made by myself and for my own account.
4. In the event of a breach of any undertaking stipulated in this agreement, I agree to pay CBT an amount of fifty thousand dollars (\$50,000.00) per breach, without prejudice to CBT's other rights and recourses. This amount shall be considered liquidated damages (and not a penalty) and I understand it shall be subject to the other rights and recourses of CBT to claim additional damages, if applicable.
5. I also acknowledge that CBT shall be entitled to proceed by injunction and/or seizure before judgment to enforce the obligations hereinabove.
6. This agreement shall be automatically terminated upon the execution by me of a Franchise Agreement with CBT for the operation of a City Brew Tours franchise. However, in the event that such a Franchise Agreement shall not be signed by me with CBT, I agree that this agreement shall remain in full force and effect for an unlimited period of time as of the date of my signature. I also acknowledge that this agreement does not, in any way, constitute an undertaking by CBT to offer and/or execute a Franchise Agreement with me.
7. All the provisions stipulated in this agreement are preemptory. Thus, I agree that I shall be in default by the operation of law if I do not respect any of the undertakings stipulated herein, as of the moment of the default, without need of any prior notice. Time is of the essence of the obligations contained in this agreement.

8. This agreement shall be governed by the laws of the state in which the Potential Franchisee resides or operates its franchise, as the case may be, without giving effect to its conflicts of law provisions. To the extent any disputes cannot be resolved directly between CBT and Potential Franchisee, Potential Franchisee must file any suit against CBT only in the federal or state court having jurisdiction where CBT's principal offices are located at the time suit is filed. CBT may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Potential Franchisee resides or does business or where the claim arose. Potential Franchisee consents to the personal jurisdictions of those courts over it and to venue in those courts.

AND THE PARTIES HAVE SIGNED.

Date : _____

Signed by _____
Signature of Potential Franchisee

Print Name: _____

Signed by _____
Signature of CBT Ventures LLC

Position: _____

This confidentiality agreement shall be signed by the potential franchisee and by every other person related to the potential franchisee that will have access to the Confidential Information.

EXHIBIT D
TO DISCLOSURE DOCUMENT

DEPOSIT AGREEMENT

CITY BREW TOURS DEPOSIT AGREEMENT

BETWEEN:

CBT VENTURES LLC

(hereinafter called « CBT»)

AND :

_____, residing and domiciled at

AND :

_____, residing and domiciled at

(hereinafter individually and/or collectively called the « Potential Franchisee »)

CITY BREW TOURS DEPOSIT AGREEMENT

BETWEEN:

CBT VENTURES LLC

(hereinafter called « CBT»)

AND :

_____, residing and domiciled at

AND :

_____, residing and domiciled at

(hereinafter individually and/or collectively called the « Potential Franchisee »)

WHEREAS, CBT has, directly or by way of its predecessors and/or related corporations, spent time, money and effort to develop the “City Brew Tours” concept;

WHEREAS, CBT operates a business that sells and commercializes franchises specialized in educational guided brewery tours and events under the name « City Brew Tours »;

WHEREAS, Potential Franchisee wishes to be granted a license to operate a business specialized in educational guided brewery tours and events under the name « City Brew Tours » (the « Franchise Business »);

WHEREAS, Potential Franchisee has already received a copy of the City Brew Tours Franchise Agreement;

WHEREAS, Potential Franchisee has already signed a Confidentiality Agreement with CBT, which agreement remains in full force and effect according to its terms;

WHEREAS, Potential Franchisee and CBT wish to agree upon the conditions of the granting of a City Brew Tours franchise to Potential Franchisee; and

CONSEQUENTLY, the parties hereof agree as follows:

1. **PREAMBLE**

The preamble forms an integral part of this Deposit Agreement ("Agreement") to reflect the intention of the parties hereto.

2. **CITY BREW TOURS FRANCHISE**

Potential Franchisee offers to purchase from CBT a license to obtain a City Brew Tours franchise to operate a business specialized in educational guided brewery tours and events under the name « City Brew Tours » according to the following terms and conditions.

3. **AUTHORIZED TERRITORY**

The franchise that Potential Franchisee wishes to obtain is for a territory that Potential Franchisee and CBT will agree upon within thirty (30) days of the signature hereof. The Authorized Territory (as defined in the Franchise Agreement) is to be situated in the City described as follows:

4. **NATURE OF ACTIVITIES**

The nature of the activities of the franchise consists of a business specialized in educational guided tours of breweries, taverns, distilleries, cider houses, bars, pubs, restaurants, beer producing facilities and other special events for sale to the public under the name « City Brew Tours » operated in a way similar to other City Brew Tours businesses operated by CBT and/or its affiliated corporations.

5. **TERM**

The Franchise Agreement will have an initial term of five (5) years and may be extended for two (2) additional periods of five (5) years, subject to certain terms and conditions stated in the Franchise Agreement.

6. **DEPOSIT**

At the time of the execution of this Agreement, and in order to cover the costs and expenses that CBT will incur to examine this Agreement, review Franchisee's background, and to discuss the modalities of the new franchise, including the choice of territory and related services, Potential Franchisee shall pay to CBT an amount of **Three Thousand Eight Hundred and 00/100 Dollars (\$3,800.00)** plus the applicable taxes, which deposit shall be utilized as provided for in the following section. This amount will be applied to the Initial Franchise Fee if CBT accepts Potential Franchisee's application and Potential Franchisee purchases a City Brew Tours franchise.

7. **USE OF DEPOSIT**

It is specifically understood and agreed between Potential Franchisee and CBT that part of the deposit, an amount of **One Thousand Five Hundred and 00/100 Dollars (\$1,500.00)**, shall not be reimbursed to Potential Franchisee for any reason whatsoever and that this amount is considered as completely earned by CBT upon its payment.

Subject to the requirements further described below, CBT shall remit to Potential Franchisee the balance of the deposit in the amount of **Two Thousand Three Hundred and 00/100 dollars (\$2,300.00)** if any of the following should occur:

- (i) Potential Franchisee decides not to purchase a CBT franchise within seven (7) days of the signing of this Agreement by giving written notice thereof to CBT; or
- (i) Potential Franchisee fails to obtain financing for the purchase of a CBT franchise.

In any and all other instances, including, without limiting the foregoing, if Potential Franchisee fails, for any reason whatsoever, to sign the Franchise Agreement when requested or as required by CBT, then CBT shall retain, to compensate it for its investment of time and money, the balance of the deposit. It is understood and agreed that CBT shall have the full right to retain the balance of the deposit amount.

Notwithstanding any provision of this Agreement, any amount due to Potential Franchisee by CBT relating to the aforementioned deposit will be remitted to Potential Franchisee only if and when it has returned to CBT all originals and copies of all the documents provided to it by CBT (including the Franchise Disclosure Document). Potential Franchisee also represents and acknowledges under this Agreement and thereafter that it will not retain any document provided by CBT.

8. FRANCHISE AGREEMENT

Potential Franchisee declares and agrees to sign the Franchise Agreement according to the terms and conditions negotiated and discussed with CBT within thirty (30) days of Potential Franchisee receiving the Franchise Agreement. Potential Franchisee recognizes that the Franchised Business may not be opened or operated unless and until it signs the Franchise Agreement.

9. DECLARATION

Potential Franchisee recognizes that CBT recommended that Potential Franchisee consult with an independent professional advisor so Potential Franchisee can properly understand and be in a position to appreciate the nature and importance of the covenants that Potential Franchisee has and shall be called upon to contract with CBT or with respect to the Franchised Business.

10. DELAYS

Time is of the essence with respect to the covenants and obligations of Potential Franchisee under this Agreement. The mere lapse of time to accomplish any obligation under this Agreement shall constitute Potential Franchisee in default, without the necessity for notice or demand.

11. NOTICES

All notices, demands, claims, documents or communication that a party must or can give or remit to the other party under this agreement, must be given in writing and remitted to the other party in person, sent by certified mail, priority post or by e-mail.

12. PERSONAL GUARANTEE

By executing this Agreement, Potential Franchisee represents and warrants to CBT that all directors, officers and shareholders of the eventual City Brew Tours franchise (the latter having to be a corporation) shall sign a personal guarantee to secure all and every obligation of the eventual franchise under the Franchise Agreement. Any failure by any of these persons to sign the personal guarantee shall constitute a refusal by Potential Franchisee to sign the Franchise Agreement.

13. APPLICABLE LAW

This Agreement is governed by and will be construed in accordance with the laws of the Commonwealth of Massachusetts. Nothing in this Section is intended, or will be deemed, to make any Massachusetts law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. To the extent any dispute cannot be resolved directly between CBT and Potential Franchisee, Potential Franchisee must file any suit against CBT only in the federal or state court having jurisdiction where CBT's principal offices are located at the time suit is filed. CBT may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Potential Franchisee resides or does business or where the claim arose. Potential Franchisee consents to the personal jurisdiction of those courts over it and to venue in those courts.

14. NEGOTIATION, COMPREHENSION AND EXPLANATIONS

Potential Franchisee recognizes and declares that CBT advised it that, in the event it has any difficulty understanding any of the obligations contained in this Agreement or in the Franchise Agreement or any other obligation that it may incur towards CBT, it should immediately advise CBT so that the latter can provide Potential Franchisee with all reasonable and sufficient explanations in order for it to understand, upon or before the signature of the franchise agreement.

Potential Franchisee also agrees and recognizes that CBT advised it that the obligations and duties set forth in the Franchise Agreement are not negotiable.

15. NO OBLIGATION FOR THE FRANCHISOR

By signing below and depositing or cashing the above-noted deposit, CBT does not accept nor assume any obligation, of any nature whatsoever, to grant Potential Franchisee a franchise or enter into a Franchise Agreement. Franchisor shall have the right, at all times, to put an end to any ongoing discussions and negotiations until the execution of the Franchise Agreement by reimbursing Potential Franchisee the total amount of the deposit mentioned in Section 6 above and, upon reimbursing the aforementioned amount, CBT will be released from any responsibility of any nature whatsoever towards Potential Franchisee.

AND THE PARTIES HAVE SIGNED.

SIGNED IN _____, this ____ day of _____ 20__

CBT VENTURES LLC

By: _____
Chad Brodsky, President

SIGNED IN _____, this ____ day of _____ 20__

POTENTIAL FRANCHISEE

DEPOSIT RECEIPT

The undersigned, **CBT VENTURES LLC**, acknowledges having received the present Deposit Agreement signed by the Potential Franchisee according to its terms and conditions as well as the deposit mentioned in Section 6 of this Deposit Agreement.

SIGNED IN _____, this ____ day of _____ 20__

CBT VENTURES LLC

By: _____
Chad Brodsky, President

EXHIBIT E
TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT AND EXHIBITS

CBT FRANCHISE AGREEMENT



CITY BREW
EST. TOURS 2008

®

NAME OF FRANCHISEE:

ADDRESS OF TOUR BUSINESS:

AGREEMENT DATE:

FRANCHISE NUMBER:

CBT FRANCHISE AGREEMENT

This Franchise Agreement is dated _____ between CBT Ventures LLC, a Massachusetts limited liability company, with its principal business located at 675 VFW Pkwy, #257, Chestnut Hill, Massachusetts, 02467 (“we”, “us”, “CBT” or the “**Franchisor**”), and “**Franchisee**” or “you” as identified on the Data Sheet attached hereto as Schedule “A” (the “**Data Sheet**”).

RECITALS

WHEREAS CBT and/or its Affiliated Corporations have developed a unique system for the establishment and operation of educational guided tours specializing in breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events for sale to the public;

WHEREAS CBT's affiliate owns in the United States the CITY BREW TOURS words and logo as trademarks used in connection with the operation of a CITY BREW TOURS business;

WHEREAS you wish to develop and operate a CITY BREW TOURS franchise; and

WHEREAS, subject to the terms and conditions of this Agreement, we have agreed to grant you a CITY BREW TOURS franchise.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the words and terms below have the following definitions:

1.1 “**Affiliated Corporations**” means two or more Persons among which one is the subsidiary of the other, or that are controlled, directly or indirectly, by the same Person, being further agreed that two or more Persons who are Related (within the meaning of this paragraph) to the same third party at the same time, shall also be deemed, for the purposes hereof, as Related;

1.2 “**Agreement**” “these presents” “in these presents” means the present contract, all its schedules as well as the Manual. The words “Agreement”, “these presents”, “in these presents” and any other similar expression used in any part of the present Agreement refers to the present Agreement in its entirety (including all of its schedules as well as the Manual) and not to this clause or paragraph only, unless otherwise expressly provided or where the context demands otherwise;

1.3 “**Authorized Territory**” means the geographic area set out in Schedule “B”;

1.4 “**CBT Concept**” means all the know-how and procedures, methods, information, norms, criteria, directives and programs created and/or developed, conceived, formulated or to be, in the future, formulated, conceived, created and/or developed by or for us for the purposes of establishing, opening and operating of educational guided tours specializing in breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events for sale to the public, that are identified by the Trademarks and which use distinctive vehicles, equipment, accessories, supplies, products, services, norms and specifications. Without limiting the foregoing, the CBT Concept includes territory selection criteria, training programs and materials, specifications, accounting and operating hardware, software and materials, system standards, Operations Manuals, advertising and promotional material and all other materials, whether written or unwritten, oral or visual, developed by or for us, for establishing, opening and operating a CITY BREW TOURS business;

1.5 “**Governmental Entity**” means any federal, state, municipal or local government entity, any political or other subdivision of any governmental entity, and any agency, department, commission, board, bureau, court or instrumentality of any government entity which, at the time, has jurisdiction over you and us;

1.6 “**Manual**” or “**Operations Manual**” means the ensemble of all the books, manuals, collections, brochures, newsletters, memoranda, letters, notices, videos, cassette tapes, computer media, mass media, notes of service and publications containing directives, instructions, writings of procedures and operations and/or policies which we transmit, every so often, (in whatever form, including, but without limitation, under written form, under printed form, by electronic filing, by means of books, manuals, directives, diskettes, compact discs, Website, Internet site, electronic mail, verbally, etc.) to our City Brew Tours businesses in general or the Franchisee in particular. This expression also means all changes, versions and modifications of or to the Manual as well as all instructions and directives that may be transmitted, every so often, by us to you;

1.7 “**Net Revenues**” means and includes: (a) the actual gross receipts realized from customers of the Tour Business or third parties in connection with the sale of goods and services made to those customers; (b) the actual gross receipts realized from any person, whether or not a customer of the Tour Business, in connection with the sale of goods or services made as a result of any association with or use of the Trademarks or the CBT Concept, including the sale of tours and other events and any and all other related products or services sold to customers of the Tour Business; and (c) any and all other revenues derived through the operation of the Tour Business, but excluding any bona fide documented federal, state, or municipal sales taxes collected by you from customers and paid by you to the appropriate taxing authority and excluding prepaid gratuities paid to personnel;

1.8 “**Operating Partner**” means the physical person designated by you to dedicate all his energies and his efforts, full-time, to the management and the operation of the Tour Business. The name of the initial Operating Partner appears in the Data Sheet;

1.9 “**Person**” means any physical or moral person and any fiduciary trust;

1.10 “**Tour Activities**” means all services and products, including educational guided tours specializing in breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services, other special events or venues that are capable of hosting tours of the type authorized by us (“**Establishments**”) and merchandise, authorized by CBT to be offered for sale by City Brew Tours businesses in general, as well as any modifications, any additions or removals of the said services and products that may be prescribed from time to time, by us; Tour Activities presently include conducting educational guided tours of breweries, taverns, distilleries, cider houses, bars, pubs and restaurants;

1.11 “**Tour Business**” means the CITY BREW TOURS business you develop and operate pursuant to this Agreement and includes, without limitation, all assets used by you for that purpose; and

1.12 “**Trademarks**” means those trademark, trade names, logos, slogans, indicia of origin, including the name and logo City Brew Tours and those other trademarks, whether registered, applied for or unregistered as set forth in Schedule “C”, as we may modify and change from time to time, and the trade dress and other commercial symbols used in in relation to the CBT Concept. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Tour Business from time to time.

GRANT OF LICENSE

2. The following provisions apply with respect to the license granted hereunder:

2.1 Authorized Territory. We grant to you the license to establish and operate a City Brew Tours business identified by the Trademarks or such other marks as we may direct, in the territory identified in Schedule “B” (the “**Authorized Territory**”).

In order to determine the Authorized Territory, you must provide us with the coordinates of your default center point (“**DCP**”) to be identified in Schedule “B”, and the Authorized Territory shall be in and from within a twenty-five (25) mile radius as the crow flies from the coordinates of the DCP, which we must approve in writing. Notwithstanding the foregoing, if this 25 mile radius overlaps (i) an existing franchisee’s (i.e. a franchisee that had a Franchise Agreement with us prior to the date

you execute this Franchise Agreement) Authorized Territory, or a twenty-five (25) mile radius that exists around any Tour Business owned by us or our Affiliated Corporations (collectively, the “**Overlap Area**”), you may not operate your City Brew Tours Business within the Overlap Area. In addition, the Tour Activities you conduct must be approved by us, in our sole discretion, and you may not conduct Tour Activities at Establishments that we or other franchisees have, prior to the date of this Agreement, scheduled Tour Activities within in your Authorized Territory.

2.2 Limitation. More specifically, the license granted to you in this Agreement allows you to pick-up and drop-off customers and offer Tour Activities only in and from within the Authorized Territory. It is strictly prohibited for you to hold Tour Activities outside the Authorized Territory or you to pick-up or drop-off customers outside the Authorized Territory, without the prior written consent of the Franchisor.

2.3 Opening. You agree that the Tour Business will be open and operating in accordance with the requirements of paragraph 5.1 within one hundred and eighty (180) days from the Effective Date.

If the Tour Business is not open and operating in accordance with the requirements of paragraph 5.1 within the time period prescribed herein, we may terminate this Agreement effective immediately and with no opportunity to cure and without any obligation to refund any of the fees paid to us prior to such termination.

2.4 Exclusivity and Our Reservation of Rights. During the Term of this Agreement, and as long as you are not in default hereunder, we will not directly or indirectly establish or operate nor grant the license or right to any other person to establish or operate any other business exercising the Tour Activities and identified with the Trademarks within the Authorized Territory. Notwithstanding the foregoing, during the franchise term we may, without compensation to you:

2.4.1 Sell (or authorize others to sell) services authorized for City Brew Tours Businesses, using trade names, trademarks, service trademarks and commercial symbols other than the Trademarks (as defined in the franchise agreement);

2.4.2 Operate and grant to others the right to operate City Brew Tours Businesses that are located in any other territory. Except with our prior written approval and as provided for specifically in this Agreement, the license granted to you does not provide you with any right to any right to exclude, control or impose conditions on our development of future franchised or company-owned City Brew Tours businesses at any time or at any location;

2.4.3 Sell (or authorize others to sell) services other than the Services including but not limited to, consulting services, using the Trademarks within or outside of the Territory with no compensation to you;

2.4.4 Purchase or acquire, through merger, acquisition or otherwise, mobile entertainment tour businesses, companies or franchisors which own or franchise mobile entertainment tour businesses, operating under the Trademarks, whether such businesses are located within or outside of your Authorized Territory;

2.4.5 Market, promote or sell services relating to or competitive with the Business through other channels of distribution, including without limitation, through the Internet or worldwide web, through smart phone or other digital applications, mail order or catalogs, through telemarketing or other direct marketing or through any other form of distribution channel or method from and at any location, even in the Territory, using the Trademarks or under trade names, trademarks or service Trademarks other than the Trademarks; and

2.4.6 Be acquired (regardless of the form of transaction) by a mobile entertainment tour business or other business, even if such business operates, franchises and/or franchises competitive businesses within the Territory.

2.5 Notwithstanding any other provision of this Agreement, it is agreed that the rights conferred by this Agreement do not include the right for you to grant any sub-franchise or license to any person

whatsoever or the right for you to give any person the right to use, in whole or in part, any part of the CBT Concept and/or any Trademarks.

- 2.6 We retain all rights that are not expressly granted to you under this Agreement. Furthermore, we may, among other things, on any terms and conditions we deem advisable, without compensation to you or any franchisee, and without granting you any rights therein establish and/or license others to establish franchised or company-owned City Brew Tours businesses at any location outside the Authorized Territory under any terms and conditions we deem appropriate, regardless of the proximity to your Authorized Territory or the actual or threatened impact on sales within your Authorized Territory.

TERM AND RENEWAL

3. The following provisions apply with respect to the term and renewal of this Agreement:

3.1 Term. The initial term of this Agreement is seven (7) years, unless this Agreement is sooner terminated in accordance with Article 13. The initial term commences upon the Effective Date.

3.2 Renewal Term and Conditions of Renewal. You may renew your license for two (2) renewal terms of seven (7) years each, provided that with respect to each such renewal: (i) you have given us written notice of your decision to renew at least six (6) months but not more than twelve (12) months prior to the end of the expiring term or the renewal period, as the case may be; (ii) you sign our then-current form of franchise agreement, the terms of which may differ from this Agreement, including higher fees, as well as sign all our other then-current accessory agreements, such as the Personal Guarantee Agreement attached hereto; (iii) you have complied with the provisions of paragraph 5.4 by updating the CBT Concept and Trademarks and you perform any further items of modernization and/or replacement to the vehicles, hardware, software and publicity as may be necessary for your Tour Business to conform to the standards then applicable to new CITY BREW TOURS businesses; (iv) you are not in default of this Agreement or any other agreement pertaining to the license granted, have satisfied all monetary and material obligations on a timely basis during the initial term or the renewal period, as the case may be, and are in good standing with us; (v) you comply with our then-current training requirements; (vi) you pay us, at least thirty (30) days prior to the end of the expiring term or the renewal period, as the case may be, a renewal fee in an amount representing fifty percent (50%) of the then current Initial Franchise Fee for new City Brew Tours franchisees; and (viii) you and the personal Guarantors execute a general release of claims in a form we prescribe.

3.3 Purchase Option. In the event the parties agree to mutually terminate this Agreement prior to the expiration of the initial term (or any renewal term) or you provide us with notice that you do not intend to renew your license, we have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Tour Business that are owned by you including, without limitation, the vehicles, marketing materials, supplies, cloud assets and accounts, customer lists, brewery agreements, creative assets (pictures, writings, etc.) of the Tour Business at a price based on the net depreciated value of said assets as appears in your last financial statements, adjusted as of the date the option is exercised, provided we give you written notice of our preliminary intent to exercise our purchase rights under this paragraph either as part of the negotiations to mutually terminate this Agreement or within thirty (30) days after we receive your notice that you do not intend to renew your license, as the case may be. Under no circumstances shall goodwill be included in the assets nor shall there be a price determined for goodwill.

Within forty-five (45) days after choosing the assets we or our designated purchaser wishes to purchase and their net depreciated value, we or our designated purchaser will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver the purchased assets to us or our designated purchaser, free and clear of all rights, security interests, mortgages, restrictions, liens and encumbrances, and to execute and deliver to us or our

designated purchaser a bill of sale therefore and such other documents as may be commercially reasonable and customary to execute the sale and transfer of the assets being purchased.

PERSONNEL AND SUPERVISION STANDARDS

4. The following provisions and conditions apply with respect to personnel and supervision:

4.1 Supervision. A representative of the Franchisee, the Operating Partner, must devote her/his full time and best efforts to the management and operation of your Tour Business. You may hire a manager to assist you in managing the day-to-day operations of the Tour Business. Any manager or replacement manager(s) you hire must complete our training as described in paragraph 4.2. Any manager(s) or replacement manager(s) you hire must be trained by us. Any manager you may hire need not have any interest in the Franchisee. The use of a manager in no way relieves you of your obligations to comply with this Agreement and to ensure that the Tour Business is continuously and properly operated. You shall inform us in writing as to the identity of your Manager and any successor Managers. Your Manager will have day-to-day management responsibility for the City Brew Tours Business, exercise on-premises supervision, and personally participate in the direct operation of the City Brew Tours Business. Each Manager must complete to our satisfaction, our Initial Training Program. Each Manager shall be required to sign a Confidentiality/Non-Competition Agreement provided by us, and may divulge only Confidential Information necessary to operate the City Brew Tours Business, and only to those of your employees, agents or independent contractors who need access to it for this purpose. You are obligated to take all necessary precautions to ensure that all your employees retain the Confidential Information in confidence.

4.2 Training. You must comply with all of the training requirements we prescribe for the Tour Business to be developed under this Agreement. Your Operating Partner must complete our initial training program to our satisfaction.

We will provide our initial training program to your Operating Partner and one (1) additional person without charging you a fee. You, however, are responsible for paying all costs, salaries and daily living expenses, including hotel and transportation costs, for these persons to attend our training program. If you would like us to train more than the two (2) persons noted above, or if it becomes necessary to retrain a certain individual, we will charge you our then-current training fee, as provided for in the Operations Manual. You will be responsible for paying all costs and other daily expenses for any additional person who attends our initial training program.

You must complete our initial training program at least one (1) week, but not more than twelve (12) weeks before you may conduct Tour Activities without our supervision. As part of the initial training program, we also will provide you with unlimited on-site access and assistance in any City we operate a City Brew Tours business, at your cost and expense. We do not currently require you to attend any part of the initial training program in person as our operations are fully remote. Requests for flexible hours for your Tour Business, must be defined during the initial training program, or any such request will be otherwise forfeited. Also, leading up to and immediately after your Tour Business opens, we will provide you with forty (40) hours of remote support and assistance and forty (40) hours of opening assistance and support by sending a representative to your Authorized Territory, at our cost and expense.

The training requirements may vary depending on your experience and the experience of any manager you hire or other factors specific to the Tour Business and/or the Authorized Territory. In the event you are given notice of default as set forth in Article 13, and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you and your manager, at your expense, comply with the additional training requirements we prescribe. Any new manager you hire must comply with our training requirements within a reasonable time as we specify. The training of new managers generally occurs at a corporate City Brew

Tour business in the United States, but we may schedule your training at another site. Under no circumstances may you permit the management of the Tour Business's operation on a regular basis by a person who has not successfully completed, to our reasonable satisfaction, all applicable training we require.

If you request additional training or if we determine that it is necessary to provide you with more training, we may require you to pay to us for each additional training day at our then-current training fee.

4.3 Ongoing Training. We will further provide you with ongoing training and support by on-site assistance for two (2) days by one (1) representative of CBT once per year, a monthly one (1) hour support call with a representative of CBT for general business and marketing advice, a perpetual booking platform and Web site hosting, as well as inclusion in all direct-email campaigns if you honor the promotion being advertised within. We may require you, your Operating Partner and other key employees of the Tour Business to attend, at your expense, on-going training at a CBT's training facility, in the Authorized Territory or at any other location we designate, acting reasonably. If you request training or support in addition to the training and support identified above, you must pay to us our then-current hourly or daily training fee plus expenses.

4.4 Call Center and Email Support System. We will be providing you with set-up and integration services to be connected to our Call Center with a local phone number and voice mailbox, with two (2) "agent" seats to log in and unlimited ring groups and IVR routing. Furthermore, we will be providing you with integrating services to our Email Ticket Support system, with two (2) "agent" seats to log in and one (1) company "group" to filter tickets into. If you request additional support or if we determine that it is necessary to provide you with more support, we may require you to pay to us our then-current fee.

4.5 Attendance at All Cities Annual Meeting. If we at our sole discretion hold an All Cities Annual Meeting, you will be given the opportunity to have up to three (3) of your employees attend at our cost and expense (except for transportation) provided that one (1) of the three persons in attendance is the Operating Partner. If you are not able to attend the meeting, you must notify us prior to the meeting and we may accept a substitute person acceptable to us attend the meeting. Attendance by additional employees of the Franchisee is encouraged, however it will be at your cost and expense.

STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of CITY BREW TOURS businesses to protect the goodwill and uniformity symbolized by the Trademarks and the CBT Concept. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

5.1 Tour Business. You may not open your Tour Business for business until we have notified you and have consented to your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date.

5.2 Development and Operations. You must purchase and/or rent such goods and services as are useful and necessary to develop and operate the Tour Business in accordance with our current approved specifications and standards.

5.3 Maintenance and Replacement. The vehicles (including the interior and exterior appearance) and other equipment and goods employed in the operation of your Tour Business must be maintained in clean and good repair and, if required, replaced and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of such goods by our representatives. Within a period of thirty (30) days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must effect the items of repair, maintenance or replacement we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment, vehicles and

signage. If, however, any condition presents a threat to customers or public health or safety, you must effect the items of repair, maintenance or replacement immediately, as further described in paragraph 6.7.

5.4 Signage. Subject to local law requirements, the interior and exterior signage of vehicles used in the operation of your Tour Business must comply with our then current specifications, which we may modify and change from time to time due to modifications to the CBT Concept, including changes to the Trademarks. You must advise us if our signage specifications do not respect local laws. You must also make such changes as we require with respect to changes to the CBT Concept, at your cost and expense.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing the CBT Concept uniformity. The following provisions apply with respect to products, services and operations:

6.1 Authorized Tours. Your business must be confined to the sale of only such educational guided tours and other events as we designate and approve in writing from time to time for sale by your Tour Business. You must offer for sale through the Tour Business all educational guided tours and other special events and only those educational guided tours and other special events approved by us. We have the right to make modifications to these educational guided tours and other special events from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service in the Authorized Territory without our prior written consent.

6.2 Additional Products and Services. You may not engage in selling or promoting any other activities than the Tour Activities unless we authorize you in writing.

6.3 Authorized Products and Services. You must use in the operation of the Tour Business and in the offering of services and/or products only the proprietary and non-proprietary techniques, processes, supplies, materials and other goods we designate, and offer or use them, all as we specify in our Operations Manual or otherwise in writing. You acknowledge and agree that we may change these periodically and that you are obligated to conform to the requirements. All vehicles, supplies, materials and other goods, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the Tour Business must at all times maintain sufficient quantities of products, promotional materials and supplies for use by your Tour Business.

6.4 Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies, services or products. You must only use approved products, services, inventory, equipment, signage, advertising materials, trademarked items and novelties, and other items or services (collectively, “**Approved Suppliers**”) in connection with the operation of the Tour Business as set forth in the Approved Supplies lists, as we may amend from time to time. Although we do not do so for every item, we have the right to choose and designate the manufacturer, distributor, provider and/or supplier of Approved Supplies (an “**Approved Supplier**”). You acknowledge and agree that some or all Approved Supplies may only be available from one Approved Supplier source, and we may be that source. For example, you must purchase all trademarked retail items, and certain products, supplies, equipment and materials from us or our designated supplier. You will pay the then-current price in effect for Approved Supplies purchased from us. All inventory, products, materials and other items and supplies used in the operation of the Tour Business that are not then included in the Approved Supplies or Approved Suppliers lists must conform to the specifications and standards we establish from time to time. Except where there is a legitimate issue, as determined by us, with respect to an Approved Supplier’s ability to provide an item that satisfies your obligations under applicable laws and administrative rules, regulations and policies relating to promotional issues, you do not have the right to use nor require us to consider alternative Approved Supplies or alternative suppliers, including without limitation, alternative approved manufacturers, suppliers, providers and distributors or alternative approved products, material, equipment, signage, stationery, supplies and other items or services necessary to operate the Tour Business. Where there is a legitimate issue

under applicable laws and administrative rules, regulations and policies relating to promotional issues, you shall identify an alternative supplier for our approval, which shall not be unreasonably withheld, that can provide the item that will comply with applicable laws, which supplier shall be deemed an “Approved Supplier” for the sole purpose of the provision of said item.

Approval requests for alternative suppliers should be made in writing to franchising@citybrewtours.com, or such other address as we may provide from time to time. For physical materials requiring approval, a sample might be requested before distribution. It will be at your sole cost to mail us any sample supplies. We have five (5) business days to review the request from the date we receive the email or the sample, whichever is later. Upon our response approving the request or if after five (5) business days we have not approved the request you may consider the request approved.

ALTHOUGH APPROVED OR DESIGNATED BY US, WE MAKE NO REPRESENTATION OR WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES AND CONDITIONS, INCLUDING WARRANTIES AND CONDITIONS OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR OR GENERAL PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS OR SOFTWARE), SUPPLIES OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. ANY APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIES, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.

6.5 Computer System. We require you to purchase, own or rent a computer system and software that are compatible with the computer and software we use, including a high speed Internet connection and credit or debit card processing we designate. The computer software package developed for use in a City Brew Tours business may include proprietary software. You may be required to license the proprietary software from us or a third party and you also may be required to pay fees for the credit or debit card processing. All right, title and interest in the software will remain with the licensor of the software. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You will comply with all applicable privacy laws, and acknowledge and agree that we will have full, complete and unlimited access to the Computer System for your Tour Business, including all information and data entered, produced and recorded by the Computer System, which right of access shall include the right to enter your Tour Business and make a copy of such information or data and the right to access your Computer System remotely. You must, at all times, have Internet access with a form of high speed connection as we require and you must use and maintain the email account provided by us for the Tour Business.

6.6 Safety, Health, Security and Policies. Your Tour Business must be operated and maintained at all times in compliance with any and all applicable safety, liquor, health, motor vehicle and security standards prescribed by any Governmental Entity. You also must comply with our Safety Manuals and any policies, procedures and standards that we prescribe with respect to safety. In addition to complying with such policies, procedures and standards, if the Tour Business and/or any of its employees is subject to any safety, health or security inspection or evaluation by any Governmental Entity under which it or the employee may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available safety, health and security classification with respect to each governmental agency inspecting or evaluating the same. In the event you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable safety, health and security standards, you must immediately notify us in writing of such failure or non-compliance.

6.7 Evaluations. We or our authorized representative have the right to enter your Tour Business at all reasonable times during the business day for the purpose of making periodic evaluations and to

ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your vehicles, and to test, sample, inspect and evaluate your employees, supplies, materials and products, as well as the conditions of safety, competency and security. Any failure of an inspection is a default under Article 13 of this Agreement. Further, if we determine that any condition in the Tour Business presents a threat to customers or public health, security or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Tour Business until the situation is remedied to our satisfaction. Our inspections and evaluations may include a “mystery visitor” program from time to time throughout the term of this Agreement. If you fail an evaluation by us or by a mystery visitor or if we receive a specific customer complaint, you must pay the costs and expenses of subsequent “mystery visitors” visits.

6.8 Trip Advisor, Yelp and Google. The ratings of educational guided tours offered by CBT and City Brew Tours businesses affects the image and reputation of all City Brew Tours businesses. Google, TripAdvisor and Yelp evaluate and post information and ratings on their Sites concerning the experience of customers that take our educational guided tours. You must obtain and maintain an overall average rating of 4 Stars or better on these Sites. We also internally evaluate the experience of customers that take our educational guided tours through “**Net Promoter Scores**” (or “**NPS**”) which rates them from 0 to 10. You must obtain and maintain an overall average rating of plus seventy (+70) or better on these evaluations. Any failure by you to maintain any rating shall constitute a failure by you to respect this Agreement. In such an event, the Tour Business shall be put on a three (3) month probation to cure this failure. In the event it is not cured within the probation period or a second failure occurs in the future, we have the right, in addition to other remedies provided for herein, to terminate this Agreement.

6.9 Period of Operation. Your Tour Business involves office services and educational guided tours.

Office services, including a call center, must be open and operating six (6) days a week, from 10am to 6pm. All calls and/or enquiries must be returned within twenty-four (24) hours from when they were made.

Educational guided tours must be available to the public from Thursday to Sunday, every day of the year or during the days and times set forth in the Operations Manual. You acknowledge and agree that if your Tour Business is closed on any day from Thursday to Sunday of any week without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement.

Acts of God that prevent you from complying with the foregoing will not constitute an abandonment of the franchise business.

Despite the foregoing, you must provide us and we may approve a yearly calendar of ten (10) holidays during which the office services and educational guided tours may be closed.

6.10 Operating Procedures. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in the Operations Manual or other written materials relating to vehicles, uniforms, financial management, equipment, brewery relationships, customer service and guide education. You acknowledge that you were given access to and had the opportunity to review the Operations Manual prior to your execution of this Agreement. We will revise the Operations Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions of City Brew Tours businesses operating under the Trademarks in their best interest. Any required standards exist to protect our interests in the CBT Concept and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

You acknowledge having received one (1) copy of, or having electronic access to, the Operations Manual, on loan from us for the term of this Agreement. The Operations Manual is at all times our sole property. You must at all times treat the Operations Manual, and the information it contains, as

secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Operations Manual and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Operations Manual is kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling. You acknowledge and agree that in the future the Operations Manual and other system communications may only be available on the Internet or other online or computer communications.

6.11 Products and Services. If you want to offer other products and/or services than the Tour Activities, you must obtain our prior written approval. Any such new products and/or services must meet our written standards. Any revenue or income from additional products and/or services must be included in Net Revenues for purposes of your Royalty Fee and Marketing Fee.

6.12 Compliance with Law. You must at all times conduct your Tour Business operations in compliance with all applicable laws, regulations, by-laws, codes, ordinances and policies including all administrative rules, regulations or policies relating to publicity, at your cost and expense. You must secure and maintain in force all required licenses, permits and certificates relating to your Tour Business and use such contracts as may be imposed by any Governmental Entity.

The Operating Partner shall obtain and maintain in force all required licenses, permits, permissions, approvals and certificates relating to the transportation of passengers for commercial purposes.

You acknowledge that you are an independent business and responsible for control and management of your Tour Business, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your Tour Business, including any notices concerning health, security and road or safety code violations.

6.13 CBT Concept Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the CBT Concept to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense. You further acknowledge that certain aspects of the CBT Concept which are available to other CITY BREW TOURS businesses may not be available to you as the CBT Concept may vary from region to region in order to reflect differences in costs, laws, states, provinces, countries and other factors applicable to such regions.

6.14 Retail Pricing Policies. We will provide you with access to current pricing models for public and private tours as well as merchandise to assist us in determining pricing strategies in the Authorized Territory and, to the extent permitted by applicable law, we may require that you adhere to our suggested prices, including maximum prices.

6.15 Volume Rebates and Discounts. You acknowledge that we may in the normal course of business, negotiate and receive revenue, cash rebates, volume discounts, concessions, advertising allowances, discount bonuses or other advantages (collectively "**Discounts**"), whether by way of cash, kind, or credit, from any supplier, source or manufacturer designated or approved by us, whether or not on account of purchases made (i) by us for our own account or for your account or franchisees generally, or (ii) by you directly for your own account, and that we shall be entitled to retain the whole of the amount or any part of such Discounts. You hereby acknowledge and agree that if we were not in a position to receive the Discounts, a greater Initial Franchise Fee and/or Royalty Fee would be required from you under this Agreement.

6.16 Privacy. You will operate the Tour Business in compliance with all applicable federal, state and local privacy legislation and, in particular, ensure that all necessary consents have been obtained from your customers, employees and other individuals with whom you are dealing in connection with the operation of the Tour Business in order to collect, use or disclose personal information (as defined in such legislation) for your own purposes and to transfer or disclose such personal information to us for the purposes contemplated under this Agreement.

ADVERTISING

7. You agree to actively promote your Tour Business, to abide by all of our advertising requirements and to comply with the following provisions:

7.1 Marketing Fees. You must pay to us the Marketing Fees set forth in paragraph 9.4.

7.2 Required Local Expenditures. You must use your best efforts to promote and advertise the Tour Business and participate in any local marketing and promotional programs we establish from time to time.

In addition to any Marketing Fee we collect, you are required to spend an amount equal to the percentage of Net Revenues as provided for in the Chart below on approved local marketing and promotion in your Authorized Territory. In your first year of operations, the amount you must spend on local marketing will be calculated based on your Net Revenue during such year. In all subsequent years, the amount you must spend will be based on your Net Revenues for the prior fiscal year. Upon our request, you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. If you fail to make the required expenditure, we have the right to collect and contribute the deficiency to the Marketing Fund.

Net Revenues (Based completed 12 month fiscal year)	Percentage of Net Revenues applicable
\$0-\$249,999.99	8.5%
\$250,000-\$499,999.99	7.5%
\$500,000-\$749,999.99	6.5%
\$750,000 or more	5.5%

We may require you to engage a digital marketing consultant or service provider to provide pay-per-click, search engine optimization, and related digital marketing services to you. We may either require you to pay the service provider directly, or we may require you to pay the fees to us, to be remitted to the service provider. We may charge an administrative fee in addition to the service provider's fee to cover our administrative and management expenses associated with the digital marketing program. This fee is subject to increase based on changes to the fee charged by the service provider. Any fee paid to us or the service provider will be counted towards your minimum local marketing expenditure.

7.3 Grand Opening Marketing. You must spend at least seven thousand five hundred dollars (\$7,500.00) on a grand opening marketing and promotion as directed in the Manual (the "**Grand Opening Marketing Campaign**").

7.4 Approved Materials. You must use only such marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct with respect to the Tour Business are subject to

our approval. We will not unreasonably withhold approval of any sales promotion materials or media and activities, provided that they are current, in good condition, in good taste and accurately depict the Trademarks. Approved materials will also include a graphic assets package with logos and style guide provided by us. We currently require you to engage a designated third party for pay-per-click, search engine optimization and other digital marketing services. We may change the designated service provider from time to time.

7.5 Sales and Promotional Items. All sales promotion material, customer goodwill items, cartons, containers, wrappers and paper goods, eating and serving utensils, pints, hats, koozies, accessories and other items, and customer convenience items used in the sales promotion, sale of services and/or products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. You must purchase these items from our Approved Suppliers.

7.6 Participation in Websites, Social Media or Other Online Communications. You must, at your expense, participate in and/or use our website, our Internet, intranet system or extranet system, third party social media sites or other online communications as we may require. We have the right to determine the content and use of the website and intranet or extranet system, social media sites or other online communications and will establish the rules under which City Brew Tours businesses may or must participate or are prohibited or restricted from participating. Such rules and/or policies shall be set out from time to time in the Operations Manual or otherwise communicated to you in writing from time to time. You may not separately register any domain name containing any of the Trademarks, participate in any website that markets goods and services similar to a CITY BREW TOURS business, or operate a website for your Tour Business that does not link to our website. We retain all rights relating to our website and intranet system and may alter or terminate the website, extranet system or intranet system. Your general conduct on the website and intranet and extranet systems, social media sites or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. In the event you are authorized to participate in third party social media sites, you will make any reasonable changes we may request and you shall remove any derogatory, negative, offensive or inappropriate material as we, in our discretion, may direct. You acknowledge that certain information related to your participation in the website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in the website and intranet or extranet system, or otherwise use the Trademarks or the CBT Concept on the Internet or third party social media sites or other online communications, will terminate when this Agreement expires or terminates. For the purposes hereof, a booking platform setup and integration with our website is required. All costs and expenses related thereto shall be borne by you, except for monthly fixed platform costs. This shall not include credit card and debit card processing fees and expenses, which shall be paid by you to authorized third party suppliers. You agree to sign all documents and to do all things useful and/or necessary for all rights, titles and interests in any future website or other communication created and/or developed pursuant hereto to be transferred to us.

7.7 Payment Mechanisms, Customer promotions, Certificates and Checks. You must use and honor only credit cards, debit cards, other payment mechanisms, system-wide customer promotions (from corporate owned and other CBT franchised businesses), certificates and checks that we designate and you must obtain all necessary hardware and terminals, certificates, materials or checks from an Approved Supplier.

7.8 Additional Services. Except if specifically mentioned that a service and/or product is included as part of the license granted under this Agreement, we also offer additional services that you have the option to utilize "A la Carte". Such services include a Marketing Package (CBT advertising/marketing management as well as certain graphic design assistance), a Customer Service Package (call service agent and email ticket management and responses) as well as Guide/Employee On-going Training Package. These additional services may be used upon the opening of the Tour Business or at any time thereafter. A price list for these additional services is available upon demand.

TRADEMARK STANDARDS AND REQUIREMENTS

8. You acknowledge and agree that the Trademarks are the property of our affiliate and that they have been licensed to us. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

8.1 Trademark Ownership. The Trademarks are CBT's and its affiliates' valuable property, and they own all right, title and interest in and to the Trademarks and all past, present or future goodwill related to the Trademarks and of the Tour Business conducted in the Authorized Territory that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, offensive or other inappropriate manner in any media, including but not limited to, print, social or electronic media.

8.2 Trademark Use. You may not use, or permit the use of, any Trademarks or trade names in connection with the Tour Business except those set forth in Schedule "C" or except as we otherwise direct or approve in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all Trademarks and trade name notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet the CBT Concept or requirements with respect to security, safety, maintenance, quality and promotion. Any and all use of the Trademarks by you, including in connection with promotional activities, letterhead, business cards, tour materials, e-mail signatures or otherwise, must be submitted to us by you for our prior approval.

8.3 Tour Business Identification. You must use the name and style CITY BREW TOURS (CITY NAME), the business or trade name of the Tour Business and you may not use any other mark or words to identify the Tour Business without our prior written consent. You may not, however, use any of the Trademarks as part of the corporate name of your corporation, or other similar entity nor with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor in connection with the sale of any unauthorized merchandise or service or in any other manner not expressly authorized in writing by us. You may use the Trademarks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Trademarks on the materials as we prescribe, (ii) **include a statement on the materials indicating that the business is independently owned and operated by you**, (iii) do not use the Trademarks in connection with any other trademark or trade names unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademark. You must post a Trademark on all vehicles used in the operation of the Tour Business identifying you as a CITY BREW TOURS franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Tour Business and that the Trademark is owned by CBT's affiliates and your use is under a license. All your use of the Trademarks must comply at all times with CBT Concept guidelines, requirements and practices, as they are modified from time to time. You will display the Trademarks prominently on, or in connection with, any advertising materials we designate, and in the manner prescribed by us.

8.4 Litigation. In the event any person or entity improperly uses or infringes the Trademarks or challenges your use of the Trademarks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any actions we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

8.5 Changes. You may not make any changes or substitutions to the Trademarks unless we direct or approve in writing. We reserve the right to change, modify, substitute and/or discontinue any or all

of the Trademarks, including the name and logo CITY BREW TOURS at any time. Upon receipt of our notice to change, modify, substitute and/or discontinue any or all of the Trademarks, you must cease using such former Trademarks and commence using the changed, modified and/or substituted Trademarks. You will be solely responsible for any and all costs and expenses, direct or indirect, that you incur in connection with any change, modification, substitution and/or discontinuation of or to the Trademarks. You further acknowledge and agree that you will have no right to any compensation or other remedies from us as a consequence of any such change, modification, substitution and/or discontinuation.

8.6 Creative Works. All ideas, concepts, techniques, or materials concerning the CBT Concept, whether or not protectable intellectual property and whether created or translated by or for you or one of your owners or employees, including any and all trademarks, trade names, logos, slogans and indicia of origin, must be promptly disclosed to us and will be deemed to be our sole and exclusive property and part of the CBT Concept. You shall not file applications for nor obtain registrations to protect any such intellectual property rights forming part of such new creative works and you must assign any ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item. You hereby waive all moral rights to such works.

8.7 Status of Trademarks. You acknowledge and understand that although we have made an application to register the right to use the Trademarks, as of the date of this Agreement, the Trademarks have not been registered and that, as a result, we have presumptive legal rights granted by registration. Therefore, as of the date of this Agreement, no warranty or representation is made to you by us with regard to the ownership of the rights to the Trademarks or any right granted by us to you to use the Trademarks.

In particular, you acknowledge that we may not have the sole or exclusive right to use or license the use of the Trademarks, including the Trademarks listed below. You acknowledge that even if one or all of the applications for the Trademarks listed below proceeds to registration, the owners of prior registrations and applications, along with the owners of any other significant prior common law rights might have the legal right to interfere with our and your use of the name or trademark City Brew Tours (or any confusingly similar name or trademark). Therefore, we do not make any representations or warranties regarding the registrability of the Trademarks, including the Trademarks listed below. You further acknowledge that the mechanisms for determining whether a particular trademark or trade name is being used by another may be imperfect and fail to reveal some protected uses. You acknowledge that such mechanisms vary substantially from locale to locale and we therefore cannot assure you that the name or trademark "City Brew Tours" or a confusingly similar name or trademark is not currently being used. You acknowledge that we have hereby advised you to search local trademark, trade name and trademark registration records, business or trade name filings, or both, or some other records maintained by city, federal, state or municipal agencies or entities and before signing this Agreement, to obtain advice from local counsel regarding the appropriate search and protection mechanisms and to conduct an appropriate search and investigation to determine whether there is any prior use of the name or trademark "City Brew Tours" or any confusingly similar names or trademarks.

FEES AND STARTING KIT

9. You must pay the fees described below and comply with the following provisions:

9.1 Initial Franchise Fee. You must pay to us an Initial Franchise Fee of **Thirty-Eight Thousand and 00/100 Dollars (\$38,000)**. The Initial Franchise Fee must be paid at the time you sign this Agreement, is fully earned upon receipt, and is non-refundable in whole or in part for any reason. You shall be given full credit for any deposit previously paid against such Initial Franchise Fee.

9.2 Starter Kit. Prior to the opening of your Tour Business, we will provide you with a Starting Kit that includes lanyards, shirts and tickets for employees to train in different cities as well as one

initial email blast to the current email registration list of all City Brew Tours locations advertising your launch. Any additional supplies and tickets shall be at your cost and expense.

9.3 Royalty Fee. In addition to the Initial Franchise Fee, during the full term of this Agreement, and in consideration of the license granted to you, you must pay to us a monthly Royalty Fee in an amount equal to the percentage of Net Revenues as follows:

Cumulative Net Revenues	Percentage of Net Revenues applicable
\$0-\$249,999.99	8.5%
\$250,000-\$499,999.99	7.5%
\$500,000-\$749,999.99	6.5%
\$750,000 or more	5.5%

At the start of our fiscal year, we will automatically reset your Royalty rate to 8.5%. As provided in the above chart, we may then reduce your Royalty Fee from 8.5% to either 7.5% or 5.5% depending on your Cumulative Net Revenues in the current year.

9.4 Marketing Fees. You must pay to us a monthly marketing fee of an amount representing one point five percent (1.5%) of Net Revenues (the “**Marketing Fees**”). We or our designee will administer the CBT Marketing Fund (the “**Marketing Fund**”) as follows:

We will direct all advertising programs with sole control over the strategic direction, creative concepts, materials and media used in the programs, and the geographic, market and media placement and allocation of advertising. You acknowledge that the Marketing Fund is intended to further general public recognition and acceptance of the Trademarks for the benefit of the CBT System. You further acknowledge that we and our designees undertake no obligation in administering the Marketing Fund to make expenditures for you which are equivalent or proportionate to your contributions, or to ensure that you benefit directly or proportionately from the placement of advertising or any other marketing or advertising activities, or to ensure that such advertising or marketing impacts or penetrates your market area. If we receive any promotional allowances with respect to your purchase of goods or services from vendors other than us or our affiliates, then we will be under no obligation to contribute the promotional allowances to the Marketing Fund. The Marketing Fund is not a trust and neither we nor our affiliates are a fiduciary with respect to the CBT Marketing Fund.

The Marketing Fund may, but is not required to, be used to meet all costs of administering, directing, preparing, placing and paying for sales, advertising and marketing initiatives or programs on a national, regional, or local basis. We may use Marketing Fund contributions in our sole discretion for the cost of developing, preparing, placing, distributing and conducting television, radio, magazine, newspaper or other advertising campaigns, public relations activities, engaging in telemarketing/Internet activities, Search Engine Optimization on the Internet, establishing, maintaining, updating and upgrading one or more Web sites, obtaining sponsorships and endorsements, brand research and development and new marketing initiatives. Advertising and promotional materials developed with Marketing Fund contributions may be either created in-house by our marketing department, or we may retain the services of a national or regional advertising agency. The Marketing Fund will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead we may incur in activities related to the administration of the Marketing Fund and its programs, including preparing advertising and marketing materials and collecting and accounting for contributions to

the Marketing Fund; the cost of employing advertising agencies and/or in-house marketing support; paying interest on monies borrowed by the Marketing Fund from third parties unaffiliated with us; providing customer service comment cards to you and other CBT franchisees; and, sponsoring sporting, charitable or other special promotional events, if we choose to do so at our sole discretion.

We expect to expend most contributions to the Marketing Fund for brand research and development and marketing initiatives during the fiscal year when the contributions are made. If we expend less than the total sum available in the Marketing Fund during any fiscal year, then we may expend the unused sum during the following fiscal year. If we expend an amount greater than the amount available in the Marketing Fund in any fiscal year (not including any sum required to be expended because we did not expend all the sums in the Marketing Fund during the preceding year), we will be entitled to reimburse ourself from the Marketing Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. We, in our sole discretion, will determine if it is necessary to audit the Marketing Fund. No money will be spent by the Marketing Fund to primarily solicit new franchisees. Some media placement may advertise that franchises are available to be purchased, but it will be done in conjunction with the program of the City Brew Tours brand.

Although the Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Marketing Fund at any time. We will not terminate the Marketing Fund, however, until it has expended all money in the Marketing Fund for marketing, advertising and promotional purposes.

9.5 Payments and Remittances. Except for the Initial Franchise Fee, the Royalty Fee and the Marketing Fees are payable by you to us immediately when you realize Net Revenues and it becomes due and payable once a month, not later than fifteen (15) days after the close of business the last day of the previous month, or at any other time and/or any other period as may be prescribed from time to time, by us, such remittances to be accompanied by the reports required by paragraph 10.2 of this Agreement. We reserve the right to change the reporting period for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us any amounts that we may hold from time to time on your behalf or that we owe to you.

9.6 Electronic Transfer of Funds. You must from time to time sign a pre-authorized debit agreement in a form we approve, the current form of which is attached as Schedule "D", to authorize and direct your bank or financial institution to transfer electronically, on a monthly basis, directly to our account and to charge to your account all amounts due to us. You must maintain a balance in your account sufficient to allow us to collect the amounts owed when due. You are responsible for any penalties, fines, fees or other similar expenses associated with the transfer of funds described in this paragraph.

9.7 Interest Charges and Late Fees. Any and all amounts that you owe to us will bear interest at lesser of eighteen (18%) percent per annum or the maximum rate allowed by law, from and after the date of accrual. In addition to interest charges on late Royalty Fee and/or Marketing Fee payments, you must pay to us a service charge of one hundred dollars (\$100) for each delinquent report or payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (i) we do not receive the payment on or before the date due; or (ii) there are insufficient funds in your bank account to collect the total payment by a transfer of funds on or after the date due. The service charge is not interest or a penalty, as it is only to compensate us for increased administrative and management costs due to late or non-payment.

REPORTING AND AUDIT RIGHTS

10. You must comply with the following provisions:

10.1 Financial Planning and Management. You must keep books and records and submit reports as we periodically require, including but not limited to, a monthly balance sheet, a monthly statement of profit and loss and yearly financial statements, all of which must be entered into our prescribed software, when applicable. All Net Revenues entered into the Bookeo software must accurately reflect the operations and condition of your Tour Business operations.

You must compile, keep and submit to us the books, records and reports on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Tour Business must include detailed monthly sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than five (5) years. You must allow us electronic and manual access to any and all records relating to your Tour Business, including customer listings.

10.2 Reports and Audit. Within ten (10) days after the end of each month, you must submit to us a report of your Net Revenues with respect to the preceding month in the form and content as we periodically prescribe. The report must include, but is not limited to, the following information for the preceding month: (i) amount of Net Revenues and gross receipts of the Tour Business, the amount of sales, goods and services and sales taxes, pre-paid gratuities paid to personnel and the computation of the Royalty Fee and the Marketing Fee; (ii) quantities of products purchased and the sources from which each were obtained; (iii) copies of your most recent sales, goods and services and sales tax returns, sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for vehicles, utilities, labor and other material cost items; and (iv) if requested by us to verify your Net Revenues, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us within ninety (90) days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year. We may require that the annual financial statements be reviewed by an independent certified professional accountant, at our expense. You must certify all reports to be true and correct.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Tour Business are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. In the event that any such evaluation or audit reveals any understatement of two percent (2%) or more of your Net Revenues, you must pay for the audit and any review by an independent certified professional accountant, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to three (3) years thereafter and any further audits and evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Net Revenues at any time, or if a subsequent audit or evaluation conducted within the three (3) year period reveals any understatement of your Net Revenues of two percent (2%) or more, in addition to any other remedies provided for in this Agreement or at law, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of fourteen (14) days from the date of notice of understatement or variance. You must fully cooperate with us and our respective representative in performing these activities and any expenses incurred by us from your lack of cooperation shall be reimbursed by you.

10.3 Year End. You undertake to establish and maintain the year end date of each financial year at a date to be determined from time to time by the us, it being December 31 as at the date hereof. You covenant and agree that we may from time to time, amend that date and, in the case of any

such amendment, you undertake to promptly take all measures required to change your fiscal year end date so that it is at all times, the one prescribed by us.

YOUR OTHER OBLIGATIONS

11. You agree to comply with the following terms and conditions:

11.1 Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our vendors, suppliers, federal, state, or local governments, or creditors in connection with your business; (ii) all liens security interests, charges, mortgages and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Tour Business; and (iii) all accounts and other indebtedness of every kind incurred by you in operating the Tour Business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

11.2 Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Tour Business. You must fully protect, indemnify and hold us and our and our respective owners, directors, officers, insurers, successors, assigns and Affiliated Corporations harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Tour Business (regardless of cause or any concurrent or contributing fault or negligence by us) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all legal fees immediately upon our request as they are incurred.

11.3 Insurance. You must purchase and maintain in full force and effect, at your expense and from an insurer we may designate or, if we have not designated such an insurer, from an insurer we accept, insurance that insures both you and us, and any other persons we designate by name. The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, must include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) "special" causes of loss coverage forms (sometimes called "All Risk Coverage" or "All Peril Coverage") on the Tour Business in the amount of one million dollars (\$1,000,000); (ii) comprehensive general liability insurance including product liability insurance, contractual liability insurance and liquor liability insurance, in the amount of one million dollars (\$1,000,000) and/or tour operator liability insurance that includes host liquor liability; (iii) workers' compensation insurance covering all of your employees; (iv) commercial motor vehicle insurance; (v) we are named as additional insured on all liability policies required by this paragraph; (vi) severability of interests and/or separation of insured provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by us; and (vi) any other such insurance coverage or amounts as required by law or other agreement related to the Tour Business. If you do not have a physical location, you are not required to procure both general liability and tour operator liability insurance, as noted above. However, if you maintain a physical location, we require that you secure both types of insurance that includes liquor liability as a part of your coverage.

The insurance coverage referenced in (i), (ii), and (iv) above must commence at the latest thirty (30) days before the first guided tour is operated. You must deliver to us upon reception by you a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this paragraph. The insurance certificate must show our status as additional insured and provide that we will be given thirty (30) days' prior written notice of a material change in or termination or cancellation of the policy. We also may request copies of all policies. We may from time to time modify the required minimum limits and require additional insurance coverage, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances,

industry standards, experiences in the CBT Concept, standards of liability and higher damage awards. If you do not procure and maintain the required insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

11.4 Franchise Owners. You represent and warrant that the sole shareholders, directors, officers and persons with any interest of any nature whatsoever, direct or indirect, in the Franchisee and/or any shareholder of the Franchisee are the persons denoted in the Data Sheet; and no other person has any interest of any nature whatsoever, direct or indirect, in the Franchisee and/or any shareholder of the Franchisee or in any way, the right to participate in decisions of the Franchisee or any shareholder of the Franchisee. Similarly, the Franchisee represents and warrants that no person has any option or any right to acquire any interest in the Franchisee or any shareholder of the Franchisee or is a party to any agreement or contract likely to become such a right or an option. Any change in any one of these persons will be subject to the provisions of the present Agreement and in particular, but without limitation, the provisions of Article 12 below.

11.5 Confidential Information. You, the Operating Partner, and all Guarantors may not, during the term of this Agreement and on an unlimited time basis thereafter, disclose, copy, reproduce, sell or use for the benefit of any other person or entity Confidential Information, except to such employees that must have access to it to operate the Tour Business. For purposes of this Agreement, "Confidential Information" means the CBT Concept and the Manual including the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the Operations Manual or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Tour Business, as well as the content of this Agreement and any other document executed in connection with this Agreement. Any and all Confidential Information, including, without limitation, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Tour Business. We may require that you obtain a confidentiality and non-competition agreement in the form attached hereto as Schedule "F" from any persons having an interest in the franchisee, the Operating Partners, the Guarantors and any other key employees. You must provide executed copies of these agreements to us upon our request. Notwithstanding the foregoing, you are authorized to disclose the terms of this Agreement to any lender providing you financing for the Tour Business.

11.6 General Release. You (on behalf of yourself and your parent, subsidiaries and affiliates) (collectively, "**Releasors**") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, members, managers, agents and employees, in their corporate and individual capacities, with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**claims**"), that any Releasor now owns, has or claims to have or holds, or may in the future own or hold, or at any prior time owned, held, had or claimed to have, based on, arising out of or relating to, in whole or in part any fact, event, conduct or omission occurring on or before the date of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and us or our parent, subsidiaries or affiliates, the sale of any franchise to any Releasor, the development and operation of the City Brew Tours Business and the development and operation of all other City Brew Tours Businesses operated by any Releasor that are franchised by us. Releasors expressly agree that fair consideration has been given by us for this release, and they fully understand that this is a negotiated, complete and final release of all claims.

Notwithstanding the foregoing, claims arising from representations in the City Brew Tours Franchise Disclosure Document, or its exhibits or amendments, are expressly excluded from this release.

TRANSFER OF FRANCHISE

12. You agree that the following provisions govern any transfer or proposed transfer:

12.1 Transfers. We have entered into this Agreement with specific reliance upon your and that of your directors, officers and shareholders financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Tour Business. Consequently, neither your interest in this Agreement nor in the Tour Business may be transferred or assigned to or assumed by any other person or entity (the “**Assignee**”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with subparagraph 12.4.10, and, if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in paragraph 12.3 is paid, and the transfer conditions described in paragraph 12.4 are satisfied. Any sale, lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, any change, pledge, hypothecation or seizure of any ownership interest in you that affects the ownership of five percent (5%) or more of you shall constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Article 12.

12.2 Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Article 12 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in subparagraph 12.4.10 must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents and other required information. The application must indicate whether you or the Operating Partner proposes to retain a security interest in the property to be transferred, as no security interest may be retained or created. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in this Agreement will be voluntarily abandoned, and it will provide us with the right to elect either to deem you in default and terminate this Agreement or to collect from you and the Guarantors a transfer fee equal to two times the transfer fee provided for in paragraph 12.3.

12.3 Transfer Fee. You must pay to us a transfer fee in the amount of fifty per cent (50%) of our then-current Initial Franchise Fee. The transfer fee is non-refundable even if, for any reason, the proposed transfer does not occur.

12.4 Conditions of Transfer. We condition our consent to any proposed transfer upon the following conditions:

12.4.1 Assignee Requirements. The assignee must meet all of our then-current requirements for the CITY BREW TOURS franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement, modified to reflect the term remaining under this Agreement.

12.4.2 Payment of Amounts Owed. All amounts owed by you to us or your suppliers, or upon which we have any contingent liability, must be paid in full.

12.4.3 Reports. You must have provided all required reports to us in accordance with paragraphs 10.2 and 10.3.

12.4.4 Modernization. You must have complied with the provisions of paragraph 5.3.

12.4.5 Guarantee. All of the shareholders, directors and officers of the assignee or anyone we require, provides us with a guarantee of the assignee's obligations under the franchise agreement and signs our then current Personal Guarantee Agreement.

12.4.6 General Release. You, the Operating Partner and each Guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Tour Business or the parties' business relationship, in the form we designate, releasing us.

12.4.7 Training. The assignee must, at your or assignee's expense, comply with the training requirements of paragraph 4.2.

12.4.8 Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Tour Business and its operations reasonably necessary or appropriate for assignee and/or us to evaluate the Tour Business and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Tour Business and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Tour Business and proposed transfer and must not be construed in any manner or form whatsoever as a financial performance representation or claims of success or failure.

12.4.9 Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

12.4.10 Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in you or the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Article 16 or any transfer described in paragraph 12.1, you first must offer to sell to us your interest under the same terms. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing signed by the offeror and by you, of the terms of the offer. You or your legal representative must deliver to us all other information we have requested. We then have thirty (30) days from our receipt of the statement setting forth the third-party offer and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the thirty (30) day period, you will be free for ninety (90) days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Article 12. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this paragraph.

12.5 Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement. In addition, we may assign all or part of our obligations or duties under this Agreement to a sub-franchisor or area developer. For example, a sub-franchisor or area developer may assist us with or provide training or on-going supervision to our franchisees. In the event of such sale or assignment, we will thereafter be relieved of any obligations to you that have been sold or assigned. Any assignment described under this paragraph will operate as a novation and will discharge Franchisor to the extent of such assignment of its duties and obligations hereunder.

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

13.1 Defaults. You are in default if we determine that you, an Operating Partner or a Guarantor has breached any of the terms of this Agreement or any other agreement between you and us, which without limiting the generality of the foregoing, includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us, conviction of you, an Operating Partner, a Guarantor or an employee of (or pleading guilty to) any offence that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Tour Business, any indictable offence, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Operating Partner or Guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

13.2 Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

13.2.1 Termination After Opportunity to Cure. Except as otherwise provided in this subparagraph or elsewhere in the Agreement: (i) you will have thirty (30) days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have five (5) days to cure those defaults; (ii) your failure to cure a default within the thirty (30) day or five (5) day period shall be grounds for termination; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

13.2.2 Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination:

- (i) any material misrepresentation or omission in your franchise application;
- (ii) your voluntary abandonment of this Agreement or the Tour Business;
- (iii) your loss of any permits to operate the Tour Business;
- (iv) your failure to obtain and maintain an overall average rating of 4 Stars or better on Google, Yelp and Trip Advisor and/or your failure to maintain an overall rating of plus seventy (+70) on NPS upon the expiration of the probation period;
- (v) the closing of the Tour Business by any federal, state, or local authorities for health, security or public safety reasons;
- (vi) you hold Tour Activities outside the Authorized Territory or you pick-up or drop off customers outside the Authorized Territory;
- (vii) your failure to open and operate office services, including a call center, six (6) days a week, from 10am to 6pm, or to offer educational guided tours to the public from Thursday to Sunday, every day of the year, without our prior written approval;
- (viii) the failure to successfully complete our initial training program;
- (ix) any disclosure or unauthorized use of the Confidential Information;
- (x) insolvency of you, an Operating Partner or a Guarantor;
- (xi) you, an Operating Partner or a Guarantor make an assignment or enter into any similar arrangement for the benefit of creditors;

- (xii) any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks and/or the CBT Concept;
- (xiii) conviction of you, any Operating Partner or a Guarantor of (or pleading not guilty to) any indictable offence regardless of the nature of the charges, or any offence that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Tour Business;
- (xiv) intentionally understating or underreporting Net Revenues, Royalty Fees or Marketing Fees or any understatement or two percent (2%) variance on a subsequent audit within a three (3) year period;
- (xv) any unauthorized transfer or assignment in violation of Article 12;
- (xvi) the receipt by you from us during any consecutive twelve (12) month period of three (3) or more written notices relating to a default under this Agreement, or under any other agreement between you and us, whether such notices relate to the same or different defaults and whether or not such defaults have been remedied by you; or
- (xvii) the default by you under any other agreement between you or your affiliates (and/or beneficial owners) and us or our affiliates.

13.2.3 Immediate Termination After No More than 48 Hours to Cure. In the event that a default under this Agreement occurs that violates any health, safety or security law or regulation, violates any system standard as to safety, health and/or security, or if the operation of the Tour Business presents a health, security or safety hazard to your customers or to the public: (i) you will have no more than forty-eight (48) hours after we provide written notice of the default to cure the default; and (ii) if you fail to cure the default within the forty-eight (48) hour period, this Agreement will terminate effective immediately on our issuance of written notice of termination.

13.2.4 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Agreement, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement:

14.1 Loss of Rights. All of your rights to the use of the Trademarks, the CBT Concept and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks in the Authorized Territory will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must immediately comply with the post-term non-compete obligations under paragraph 15.1, cease all use and display of and refrain from all use and display of the Trademarks and/or trademarks or material confusingly similar to the Trademarks, and of any proprietary material (including the Operations Manual) and of all or any portion of Computer System materials furnished or approved by us, assign all right, title and interest in the telephone and facsimile numbers for the Tour Business and cancel or assign, at our option, any business or trade name rights or equivalent registrations filed with authorities. You must pay all sums due to us. You must immediately return to us, at your expense, all copies of the Operations Manual, Confidential Information, and customer lists then in your possession or control or previously disseminated to your employees, and continue to comply with the confidentiality provisions of paragraph 11.5. You must promptly, at your expense and subject to paragraph 14.2, remove or destroy all signage, displays or other materials in your possession that bear any of the Trademarks or

trademarks, names or material confusingly similar to the Trademarks and so alter the appearance of all vehicles as to differentiate them unmistakably from duly licensed business identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within thirty (30) days, we have the right to enter and remove all signage, displays or other materials in your possession that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us that expressly or by their nature survive the expiration or termination of this Agreement.

14.2 Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Tour Business that are owned by you including, without limitation, the vehicles, equipment, signage, furnishings, supplies and material of the Tour Business at an agreed upon price. If we and you are unable to agree on the price within thirty (30) days, we and you will each select a professionally certified appraiser and the two selected appraisers will select a third professionally certified appraiser. The third appraiser will determine the price. The price set by the third appraiser will be conclusive.

The price determined by the appraiser will be the net depreciated value of the assets and the appraiser will designate a price for each category of assets, but shall not include the value of any goodwill of the business.

Within forty-five (45) days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver the purchased assets to us or our designated purchaser, free and clear of all rights, securities interests, mortgages, restrictions and encumbrances, and to execute and deliver to us or our designated purchaser a bill of sale therefore and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

14.3 Release. At or prior to the sale and transfer, you, your Operating Partner and the Guarantors shall execute a complete, absolute and full release and discharge with respect to any claims or cause of action against us relating to this Agreement, the Tour Business and our business relationship.

NON-COMPETITION

15. You agree that you will receive valuable training, Confidential Information and goodwill that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following non-competition covenants:

15.1 Non-competition. Unless otherwise specified, the term "you" as used in this paragraph includes, collectively and individually, all Operating Partners, Guarantors, officers, directors, managers, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete and non-solicitation provisions of the following paragraphs.

You covenant that during the term of this Agreement you will not, except as we otherwise agree to in writing, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, assist, maintain, engage in, consult with or have any interest in any Competing Business (as defined below).

You covenant that you will not, for a period of eighteen (18) months after the expiration or termination of this Agreement, regardless of the cause of termination, or within five (5) years of

the sale of the Tour Business or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, assist, maintain, engage in, consult with or have any interest in a Competing Business:

- (i) That is situated or operates within the inner limits of the Authorized Territory;
- (ii) That is situated in the state in which you operated your Tour Business and that promotes Tour Activities in the Authorized Territory;
- (iii) That is situated in the United States and that sells franchises or licenses that promote Tour Activities in the Authorized Territory and/or in the authorized territory of any other City Brew Tour business using the Trademarks; or
- (iv) That is situated, operates or promotes Tour Activities in the exclusive territory of any other City Brew Tour business using the Trademarks and is situated in the state in which you operate your Tour Business, whether franchised or owned by us.

For purposes of this paragraph, a Competing Business means a business that offers any tours conducting educational guided tours of breweries, distilleries, cider houses, restaurants and/or taverns and/or offering rent-a-guide services and/or special alcohol-related events, beer-dinners, and alcohol themed festivals.

The parties agree that each of the foregoing covenants or parts thereof will be construed as independent of any other covenant or provision or part thereof of this Agreement.

15.2 Non-Solicitation. During the initial term and any renewal term(s) and continuing for two (2) years following the expiration or termination of this Agreement, you agree that you and/or your officers, directors, Operating Partners, owners and Guarantors (if applicable), will not directly or indirectly, solicit, divert, or hire away or attempt to solicit, divert, or hire away any employee, agent, or mandatary of ours or of any City Brew Tours business (whether or not such employee, agent, or mandatary is full-time, part-time or temporary). In addition, the use of our customer lists, employee files or other such Confidential Information for the purpose of soliciting, diverting, or hiring away (or any such attempt) is prohibited.

15.3 Liquidated Damages. If we terminate this Agreement as a result of your default, or you terminate this Agreement without cause prior to its expiration date, then you shall pay to us liquidated damages on or before thirty (30) days following the termination. The amount of liquidated damages will be equal to the Royalties and Marketing Fees that we would have received for three (3) years based on your most recent annual Net Revenues. If your City Brew Tours Business has not been open for one (1) year immediately preceding termination, the liquidated damages will be calculated by taking the number that is the monthly average of Royalties and Marketing Fees payable to us from the date your City Brew Tours Business was opened through the date of termination and multiplying it by thirty-six (36). If the time remaining in the Franchise Agreement is less than thirty-six (36) months, the monthly average as calculated above will be multiplied by the number of months remaining in the Term of this Agreement.

15.4 Failure Payment. In the event of any default by you or any other person bound by any provisions of this Agreement to comply with any of its undertakings as stipulated in Articles, paragraphs and/or subparagraphs 2.3, 3.3, 4.10, 11 (except for Section 11.5), and/or 15.2 hereof, you and such person, severally, undertake to pay us, under reserve of all our other rights and recourses, an amount of one hundred dollars (\$100.00) per day for the duration of the default multiplied by the number of defaults ("**Failure Payment**").

15.5 No Penalty. You acknowledge and agree that the sums payable as Failure Payments under Section 15.4 above or Liquidated Damages under Section 15.3 above are not penalties. You further acknowledge that (i) the amount of loss or damages likely to be incurred by us is incapable or is difficult to precisely estimate, (ii) the amounts specified bear a reasonable proportion and are not plainly or grossly disproportionate to the probable loss likely to be incurred by us, and (iii) the

parties are sophisticated business parties and have been represented by sophisticated and able legal and financial counsel and negotiated this Agreement at arm's length.

DEATH OR DISABILITY

16. If the person that is the Operating Partner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as an Operating Partner, such person or entity must apply for our consent under Article 12, pay the applicable transfer fee under paragraph 12.3, and satisfy the transfer conditions under paragraph 12.4, as in any other case of a proposed transfer, all within one hundred and eighty (180) days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Tour Business still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in subparagraph 12.4.10.

DISPUTE RESOLUTION

17. The following provisions apply with respect to dispute resolution:

17.1 Mediation. Before any party may bring an action against the other or commence an arbitration proceeding, the parties must first meet to mediate the dispute. The mediation will be non-binding, will be held in Waltham (Boston), Massachusetts, U.S.A. If the parties cannot agree on a mediator, the parties irrevocably agree to the federal or state court located in the jurisdiction where our principal offices are located at the time to appoint a mediator. The parties agree that the mediation hearing will be held within fifteen (15) days of the appointment of a mediator.

17.2 Choice of Law. This Agreement and the relationship between the parties is governed by and will be construed in accordance with the laws of the Commonwealth of Massachusetts. Nothing in this Section is intended, or will be deemed, to make any Massachusetts law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

17.3 Choice of Forum. The parties agree that, to the extent any disputes cannot be resolved directly between them, you must file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business or where the Franchised Business is or was located or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

17.4 Limitation of Actions. Any legal action or proceeding (including a proceeding related to the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, regardless of when discovered. The preceding limitation period does not apply: (a) with respect to payments owed by one party to the other; (b) if prohibited by applicable law; or (c) if applicable law provides for a shorter limitations period.

17.5 **Mutual Waiver of Jury Trial**. Each of us irrevocably waives trial by jury in any litigation.

17.6 Mutual Waiver of Punitive Damages. Each of us waives any right to or claim of punitive, exemplary, multiple or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

17.7 Remedies Not Exclusive. Except as provided in Sections 17.1 through 17.6, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under applicable law.

17.8 Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you must reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

17.9 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

17.10 Survival. The provisions of this Section 17 will survive the expiration or earlier termination of this Agreement.

GENERAL PROVISIONS

18. The parties agree to the following provisions:

18.1 Severability. Should one or more articles, paragraphs, subparagraphs, clauses or parts thereof of this Agreement be held void or unenforceable for any reason by any arbitrator or court of competent jurisdiction, such articles, paragraphs, subparagraphs or clauses or parts thereof will be deemed to be separable and the remainder of this Agreement is valid and in full force and effect. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding may, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other remedy.

18.2 Waiver. No waiver by us of any breach by you nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the CBT Concept and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

This Agreement together with all schedules to this Agreement constitute the entire agreement between the parties and supersede and replace any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, mandataries, representatives or independent contractors that are contrary to the terms set forth in this Agreement.

18.3 Notices. Except as otherwise expressly provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the mail, service or postage prepaid, and if such notice is a notice of default or termination, registered or certified mail, and addressed as follows:

- (i) If intended for us, addressed to CBT Ventures LLC, 675 VFW Pkwy, #257, Chestnut Hill, Massachusetts, 02467;

- (ii) If intended for you, addressed to you at the address set forth on the Data Sheet; or,

in either case, to such other address as may have been designated by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed, emailed or delivered as provided in this subparagraph.

18.4 Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President and/or Chief Operating Officer.

18.5 References. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

18.6 Guarantee. All officers, directors, shareholders or other persons denoted in the Data Sheet (in this Agreement, the “**Guarantors**”) must execute the form of personal guarantee agreement attached hereto as Schedule “E”. If any of these persons are a legal entity, then all of the officers, directors, shareholders of such legal person shall also execute the form of personal guarantee attached hereto as Schedule “E”, up to and including the ultimate physical persons that control them.

18.7 Successors/Assigns. Subject to the terms of Article 12 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

18.8 Relationship of the Parties. You and we are independent contractors. Neither party is the agent, mandatory, mandatary, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other nor represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of trust or confidence.

18.9 Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a superior force. Lack of available funds shall not be deemed to be an unforeseeable and irresistible event or cause.

18.10 Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the CBT Concept. Accordingly, we have the right to vary the CBT Concept and the Trademarks for any City Brew Tours business or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, territory, country, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such City Brew Tour business, franchisee’s business or the CBT Concept. We are not required to grant to you a like or other variation as a result of any variation from standard specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other City Brew Tours businesses may operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

18.11 Cross Default. If you, any Guarantor, any shareholder, director or officer of the Franchisee owns, or acquires, directly or indirectly, the right to operate any other franchised business according to the CBT Concept, any default on its part in the execution or respect of any provision of any agreement governing the above right and/or any such franchise shall be deemed to be a default herein and in virtue of all other agreements under which the Franchisee or any such person owns or operates such business, directly or indirectly.

18.12 Effective Date. We will designate the “**Effective Date**” of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement.

18.13 Default Cumulative. Any default by you under this Agreement may be regarded as a default under any other agreement between us and you. Any default by you under any other agreement in relation to the Tour Business between us may be regarded as a default under this Agreement. In either case, we shall be entitled to all remedies allowed at law (subject to the cure period provided for in the agreement under which the default is being advanced), including termination of your rights under any agreement. No right or remedy which we may have, including any termination rights, is exclusive of any other right or remedy provided under law or under this Agreement and we may pursue any rights and/or remedies available.

18.14 Counterparts. This Agreement may be executed in counterparts, and each counterpart when so executed and delivered shall be deemed an original, and such counterparts taken together shall constitute one and the same instrument.

18.15 Survival. All obligations of the Franchisor and the Franchisee which expressly or by their nature survive termination or expiration or transfer of this Agreement shall continue in full force and effect subsequent to and notwithstanding such termination or expiration or transfer and until they are satisfied or by their nature expire.

18.16 Not Withhold Payment. You agree that you will not, on the grounds of the alleged non-performance by us of any of our obligations hereunder, withhold payment of any amounts due to us whether on account of services, equipment, products or supplies purchased by you or otherwise.

18.17 Consent to Disclosure of Personal Information. You hereby expressly permit us to disclose in our franchise disclosure document (whether required by law or made available on a voluntary basis), personal information related to you, the Operating Partner(s) and the directors, officers and shareholders of the Franchisee, including their names, addresses, telephone numbers and facsimile numbers, and sales, revenues, expenses, costs, results of operations, and similar information regarding your operation of the Tour Business, and any information regarding the non-renewal, closure, expiry or termination of this Agreement. You shall obtain the consent of the Operating Partner(s), directors, officers and shareholders of the Franchisee necessary to permit the disclosure of their personal information as contemplated under this paragraph.

18.18 Further Assurances. The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

18.19 Review of Local Laws. You acknowledge that you have assessed all applicable laws, including all federal, state and municipal laws and by-laws, in order to determine the legality or requirements of operating a tour business conducting educational guided tours of breweries, taverns, distilleries, cider houses and restaurants in the Authorized Territory, and that we have made no representations, warranties or assurances with respect to the legality or requirements of operating such a business in such jurisdiction.

COMPREHENSION AND ACCEPTANCE OF RISKS

19. The parties agree to the following provisions:

19.1 Operations Manual. You represent and acknowledge having read the Manual in force on the date hereof prior to or on the date of signature of the present Agreement.

19.2 Comprehension. You represent and declare that you have properly understood each and every one of the undertakings and obligations set forth herein and in the Manual and have taken all reasonable and prudent measures, including where appropriate, the use of independent and competent financial and legal advisors to ensure that you have properly understood each and every one of your obligations set forth herein and the Manual. More specifically, you acknowledge that it was strongly recommended that you consult with competent independent financial and legal advisors for the purposes of these presents.

19.4 Explanations. You further declare and represent having received any explanation reasonably required on the contents hereof and the Manual as well as on your obligations set forth herein and in the Manual.

19.5 Negotiations. You further agree and acknowledge having had the opportunity to negotiate and discuss with us the stipulations, including provisions essential to these and other agreements concluded or to be concluded with us.

19.6 Absence of Representation. You acknowledge that no representation has been made as to costs, investments, revenues, expenses, business prospects and/or profits of the Tour Business. On the other hand, you acknowledge that no representation other than those contained in these presents were made to you, especially in order to persuade or motivate you to sign the present Agreement. In the event that such representations may have been made or existed at any time whatever, they are hereby expressly cancelled and you agree and declare that you were in no way forced to make the decision to conclude this Agreement with us. Also, you acknowledge and accept to being formally notified by us that no representative, dealer or employee of ours has ever been at any time, authorized to make on our behalf any representation or warranties of any nature whatsoever.

19.7 Contents. You acknowledge that we make no declaration or warranty regarding the object of these presents and have notified you that the Tour Business involves certain risks, and you recognize that the success of the aimed business of this Agreement depends greatly on your ability and work.

19.8 Net Profit. You acknowledge that it is possible that the volume of sales, gross margins and operating costs of the Tour Business may not allow you to realize a profit and you declare being disposed to running that risk.

19.9 Compliance Certificate. You shall execute that certain Form of Franchise Compliance Certificate attached to this Agreement as "Schedule G."

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement on the dates written above.

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANCHISOR:

CBT VENTURES, LLC

By: _____

Name: Chad Brodsky

Title: President

Date: _____

Schedule "A"
to the Franchise Agreement
Data Sheet

1. **Franchisee:** _____

2. **Shareholders.** You represent and warrant that the following persons or entities, and only the following persons or entities, hold a direct or indirect interest (as shareholders or otherwise) in the Franchisee.

Name	Home Address	Percentage of Ownership

2. **Directors and Officers.** You represent and warrant that the following persons, and only the following persons, are directors and/or officers of the Franchisee.

Name	Home Address	Function

3. **Operating Partner.** You represent and warrant to us that the following person(s), and only the following person (s), will be your Operating Partner (s):

Name	Home Address	Percentage of Ownership

4. **Authorized Territory.** As stated in paragraph 1.1 of the Agreement, the Authorized Territory is: _____ (See attached map).

5. **Effective Date:** _____

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANCHISOR:

CBT VENTURES, LLC

By: _____

Name: Chad Brodsky

Title: President

Date: _____

Schedule “B”
to the Franchise Agreement
Authorized Territory

[Insert Map and/or Coordinates of Default Center Point]

Schedule "C"
to the Franchise Agreement

Trademarks

You have the right to use the following Trademarks in accordance with the terms of the Franchise Agreement:

Trademark	Registration or Serial Number	Application Date or Registration Date
City Brew Tours (name and logo)	Serial No. 8717665 Registration No. 5940318	Application Date: September 20, 2016 Registration Date: December 17, 2019
City Brew Tours EST. 2008 (name and logo)	Registration No. 6150573	September 15, 2020

We may amend this Schedule "C" from time to time in order to make available additional Trademarks or to delete those Trademarks that change or are unavailable. You agree to use only those Trademarks that are then currently authorized.

The Trademarks must be used only in the manner that we specify. No deviations will be permitted.

Schedule "D"
to the Franchise Agreement
Sample Pre-Authorized Debit Agreement
Business Pre-Authorized Debit ("PAD") Agreement

**In Respect of a Franchise Agreement dated [●] between ● [name of
franchisee] and CBT Ventures LLC**

FILL OUT COMPLETELY

Date of PAD Application _____ Business Phone _____ Name of Company/Franchisee _____ Contact Person _____ Title _____ Address _____ _____
--

Please include a copy of a void check for us to confirm your banking information to be used for PAD transactions. Alternatively, provide the following account information:

Bank number: _____

Transit number: _____

Account Number: _____

I hereby authorize CBT Ventures LLC to debit the checking/savings account identified above on the fifteenth day of each month in order to pay all fees, charges and any other amounts owed pursuant to the terms of the Franchise Agreement entered into with CBT Ventures LLC (including Royalty Fee payments, marketing fees and other services); and, if necessary, to initiate adjustments for any transactions debited in error. These debits are related to the operation of a franchised business and the amount of each debit will vary from month to month. I can revoke this authorization at any time by providing not less than thirty (30) days' notice to CBT Ventures LLC I can obtain a sample cancellation form or further information on my right to cancel this PAD Agreement at my financial institution or by visiting www.cdnpay.ca.

I have certain recourse rights if any debit does not comply with this PAD Agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my recourse rights, I may contact my financial institution

CBT Ventures LLC: 675 VFW Pkwy, #257, Chestnut Hill, MA, 02467, Tel: 888-623-8687.

Signature: _____

Printed Name & Title: _____ Date: _____

Schedule "E"
to the Franchise Agreement
Personal Guarantee Agreement

DATE: _____

PERSONAL GUARANTEE AGREEMENT

TO: **CBT Ventures LLC**, and its successors and assigns (the "**Franchisor**")

In consideration for the execution by the Franchisor of a franchise agreement between the Franchisor and **[Insert name of Franchisee]** (together with its successors and permitted assigns, the "**Franchisee**") dated **[Insert Date]** (as amended, restated, extended, supplemented, replaced, continued or renewed from time to time, (the "**Franchise Agreement**"), whereby the Franchisor has agreed to grant the Franchisee a City Brew Tours license to be located in the City of **[Territory]** of **[Insert State]** (the "**Franchise**") subject to the terms and conditions of the Franchise Agreement, and at the request of the Franchisee that the undersigned (the "**Guarantor**") provide this Guarantee and Indemnity, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantor agrees as follows:

1. Guarantee

The Guarantor unconditionally and irrevocably guarantees to the Franchisor, its successors and assigns, the due and punctual payment and performance to the Franchisor upon demand of all debts, liabilities and obligations of or owing by the Franchisee to the Franchisor at any time and from time to time, present and future, direct and indirect, absolute and contingent, matured or not, arising from all present and future agreements, undertakings and contracts from time to time in force between the Franchisee and the Franchisor, including, without limitation, the Franchise Agreement and all documents, undertakings and agreements entered into by the Franchisee pursuant to or in connection with the Franchise Agreement, and all amendments, restatements, replacements, renewals, extensions, or supplements of, and continuations to, each such agreement, undertaking or contract, or from any other agreement, contract or dealing with any third party by which the Franchisor may be or become in any manner a creditor of the Franchisee, or howsoever otherwise arising, and whether the Franchisee is bound alone or with another or others, and whether as principal or surety, and including without limitation, all liabilities of the Franchisee arising as a consequence of its failure to pay or fulfil any of such debts, liabilities and obligations (the "**Obligations**").

2. Payment and Performance

- (a) If the Franchisee fails or refuses to punctually make any payment or perform the Obligations, the Guarantor shall unconditionally render any such payment or performance upon demand made on it in accordance with the terms of this Guarantee.
- (b) Nothing but payment and satisfaction in full of the Obligations shall release the Guarantor from the Guarantor's obligations under this Guarantee.

3. Interest

- (a) All amounts demanded under this Guarantee shall bear interest at a rate per annum equal to the Prime Rate plus five percent (5%) from the time of demand until paid, both before and after default and judgment. "**Prime Rate**" means, at any time, the interest rate, expressed as an annual rate, established by the Franchisor from time to time as its reference interest rate to determine the interest rates it will charge for demand loans in Canadian dollars to Canadian customers and referred to by the Franchisor as its "Prime Rate".

4. Continuing Obligation

- (a) The only condition (and no other document, proof or action other than as specifically provided in this Guarantee is) necessary as a condition of the Guarantor honoring its obligations under this Guarantee shall be demand by the Franchisor to the Guarantor. This Guarantee shall be a

continuing guarantee, shall cover all the Obligations, and shall apply to and secure any ultimate balance due or remaining unpaid to the Franchisor.

- (b) This liability of the Guarantor shall continue and be binding on the Guarantor, and as well after as before default and after and as before maturity of the Guarantee, until all the Obligations are fully paid and satisfied, and regardless of:
 - (i) whether any other person or persons (an “**Additional Guarantor**”) shall become in any other way responsible to the Franchisor for, or in respect of all or any part of the Obligations;
 - (ii) whether any such Additional Guarantor shall cease to be so liable; or
 - (iii) whether any payment of any of the Obligations has been made and where such payment is rescinded or must otherwise be returned upon the occurrence of any action or event, including the insolvency or bankruptcy of the Franchisee or otherwise, all as though such payment had not been made.

5. Guarantee Unaffected

This Guarantee shall not be determined or affected, or the Franchisor’s rights under this Guarantee prejudiced by, the termination of any of the Obligations by operation of law or otherwise, including without limitation, the bankruptcy, insolvency, dissolution or liquidation of the Franchisee, any change in the name, business, powers, capital structure, constitution, objects, organization, directors or management of the Franchisee, with respect to transactions occurring either before or after such change. This Guarantee shall bind and extend to the liabilities of the person or persons for the time being and from time to time carrying on the business now carried on by either the Franchisee or the Guarantor, notwithstanding any reorganization of the Franchisee or the Guarantor or the amalgamation of the Franchisee or the Guarantor with one or more other corporations (in this case, this Guarantee shall extend to the liabilities of the resulting corporation and the terms “Franchisee” and “Guarantor” shall include such resulting corporation) or any sale or disposal of the Franchisee’s or the Guarantor’s business in whole or in part to one or more other persons and all of such liabilities shall be included in the Obligations. The Guarantor agrees that the manner in which the Franchisor may now or subsequently deal with the Franchisee, the Guarantor or any Additional Guarantor or any security (or any collateral subject to the security) or other guarantee in respect of the Obligations shall have no effect on the Guarantor’s continuing liability under this Guarantee and the Guarantor irrevocably waives any rights it may have in respect of any of the above.

6. Representation - Authority and Enforceability

The Guarantor represents and warrants to the Franchisor that it has obtained all corporate and other authorizations, consents and approvals necessary for the granting and performance of this Guarantee and that this Guarantee is enforceable against the Guarantor in accordance with its terms. The Franchisor shall not be concerned to inquire into the Franchisee’s power or the powers of any of its directors or other agents, acting or purporting to act on its behalf, and all moneys, advances, renewals and credits actually borrowed or obtained from the Franchisor by the Franchisee shall be deemed to form part of the Obligations notwithstanding any lack or limitation of status or power, incapacity of the Franchisee or of the directors, or that the Franchisee may not be a legal entity capable of being sued, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits, whether known to the Franchisor or not.

7. Postponement of Claims and Subrogation

- (a) All debts and claims against the Franchisee now or subsequently held by the Guarantor and all of the Guarantor’s rights of subrogation (all such debts, claims and rights, the “**Claims**”) shall be for the Franchisor’s security and, as between the Guarantor and the Franchisor, the Claims are postponed to the repayment and performance of the Obligations. Until all of the Obligations shall have been satisfied in full, any money that the Guarantor receives in respect of any such Claims shall be received by the Guarantor in trust for the Franchisor and shall be paid immediately to the Franchisor to be applied against, or held as security for, payment of

the Obligations, all without prejudice to and without in any way affecting, relieving, limiting or lessening the Guarantor's liability under this Guarantee.

- (b) As security for and for the purpose of giving effect to the postponement of the Claims, the Guarantor assigns, transfers and sets over to the Franchisor all of the Claims and irrevocably constitutes and appoints the Franchisor to be the Guarantor's attorneys in the name of and on behalf of the Guarantor to collect, and enforce or prove any such Claims, and for that purpose to execute and do in the name and on behalf of the Guarantor, all deeds, documents, transfers, assignments, assurances and things, and to commence and prosecute, at the Franchisor's election and in the Franchisor's sole discretion, any or all proceedings which may appear to the Franchisor to be necessary or desirable.
- (c) In the event of the bankruptcy, winding up or distribution of assets of the Franchisee, Guarantor or any Additional Guarantor, the Franchisor's rights shall not be affected or impaired by its omission to prove its claim in full or otherwise and it may prove such claim as it sees fit and may refrain from proving any claim in its sole discretion; and it may but shall not be obliged to prove in respect of the Claims assigned as a debt owing to it by the Franchisee and the Franchisor shall be entitled to receive all amounts payable in respect of the Claims, such amounts to be applied on such part or parts of the monies payable from time to time on account of the Obligations as the Franchisor shall in its absolute discretion see fit until all of the Obligations shall have been paid in full and thereafter the Guarantor shall be entitled to the balance, if any, of such amounts; all of which the Franchisor may do without in any way affecting, relieving, limiting or lessening the Guarantor's liability to the Franchisor under this Guarantee.
- (d) The Guarantor acknowledges and agrees that it shall not have any rights of subrogation or indemnification unless it pays the Obligations in full. The Guarantor shall not prove a claim in the bankruptcy of the Franchisee unless and until the Obligations are repaid in full.
- (e) The Franchisor shall have no duty, obligation or liability as a result of the assignment of the Claims to the Franchisor to protect, preserve or to ensure that the Claims do not become prescribed by statute or otherwise invalidated or rendered unenforceable.

8. Amendments

The Guarantor and the Franchisor agree that, at any time and from time to time, without notice to the Guarantor and without affecting, relieving, limiting or lessening the Guarantor's liability under this Guarantee, the Franchisor may alter the terms of all or any part of the Obligations and any security and guarantees including, without limitation, modification of principal amount, times for payment or interest rates, upon written agreement between the parties.

9. Waivers

The Guarantor waives each of the following, to the fullest extent permitted by law:

- (a) all statutes of limitations as a defense to any action brought by the Franchisor against the Guarantor;
- (b) any defense based upon:
 - (i) the unenforceability or invalidity of all or any part of the Obligations, or any security or other guarantee for the Obligations or any failure of the Franchisor to take proper care or act in a commercially reasonable manner in respect of any security for the Obligations or any collateral subject to the security, including in respect of any disposition of the Collateral or any set-off of the Franchisee's bank deposits against the Obligations;
 - (ii) any act or omission of the Franchisee or any other person, including the Franchisor, that directly or indirectly results in the discharge or release of the Franchisee or any other person or any of the Obligations or any security for the Obligations; or

- (iii) the Franchisor's present or future method of dealing with the Franchisee, any Additional Guarantor or any security (or any collateral subject to the security) or other guarantee for the Obligations;
- (c) any right (whether now or hereafter existing) to require the Franchisor, as a condition to the enforcement of this Guarantee:
 - (i) to accelerate the Obligations or proceed and exhaust any recourse against the Franchisee or any other person;
 - (ii) to marshal the assets of either the Franchisee or the Guarantor; or
 - (iii) to pursue any other remedy that the Guarantor may not be able to pursue itself and that might limit or reduce the Guarantor's burden;
- (d) demand, protest and notice of any kind including, without limitation, notices of default and notice of acceptance of this Guarantee;
- (e) all suretyship defenses and rights of every nature otherwise available under applicable laws; and
- (f) all other rights and defenses (legal or equitable) the assertion or exercise of which would in any way diminish the liability of the Guarantor under this Guarantee.

10. Franchisor's Right to Act

The Franchisor has the right to deal with the Franchisee, the documents creating or evidencing the Obligations and the security (or any collateral subject to the security) now or subsequently held by the Franchisor (including without limitation, all modifications, extensions, replacements, amendments, renewals, restatements, and supplements to such documents or security) as the Franchisor may see fit, including without limitation, to:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Franchisee;
- (b) take new or additional security (including without limitation, other guarantees) from the Franchisee;
- (c) discharge or partially discharge any or all existing security;
- (d) elect not to take security from the Franchisee or not to perfect security;
- (e) cease or refrain from, or continuing to, giving credit or making loans or advances to the Franchisee;
- (f) accept partial payment or performance from the Franchisee or otherwise waive compliance by the Franchisee with the terms of any of the documents or security;
- (g) assign any such document or security to any person or persons;
- (h) deal or dispose in any manner (whether commercially reasonably or not) with any security (or any collateral subject to the security) or other guarantee for the Obligations; or
- (i) apply all dividends, compositions and moneys at any time received from the Franchisee or others or from the security upon such part of the Obligations,

in each case, without notice to the Guarantor or any Additional Guarantor and without in any way affecting, relieving, limiting or lessening the Guarantor or Additional Guarantor's liability under this Guarantee.

11. Franchisor's Waiver

No term, condition or provision of this Guarantee or any right under this Guarantee or in respect of this Guarantee, shall be, or shall be deemed to have been, waived by the Franchisor, except by express written waiver signed by the Franchisor, all such waivers to extend only to the particular circumstances specified in such waiver.

12. Franchisor's Inaction

Except as provided at law, no action or omission on the part of the Franchisor in exercising or failing to exercise its rights under this Guarantee or in connection with or arising from all or part of the Obligations shall make the Franchisor liable to the Guarantor for any loss caused to the Guarantor. No loss of or in respect of any securities received by the Franchisor from the Franchisee or others, whether occasioned by the Franchisor's fault or otherwise, shall in any way affect, relieve, limit or lessen the Guarantor's liability under this Guarantee. The Guarantor agrees that the Franchisor has no obligation to provide or disclose information to the Guarantor with respect to any dealings it has with or in respect of the Franchisee at any time or from time to time.

13. Franchisor's Rights

The rights and remedies provided in this Guarantee are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law.

14. Acknowledgements

The Guarantor acknowledges that it is providing this Guarantee and Indemnity at the request of the Franchisee and that it has satisfied itself and is not relying upon the Franchisor in respect of all or any information with respect to the transaction under or related to the Franchise Agreement or this Guarantee. The Guarantor acknowledges that it has been provided with and has reviewed a copy of the Franchise Agreement and covenants and agrees to comply with the covenants and other provisions of the Franchise Agreement that are applicable to it as if such covenants were specifically set forth in this Guarantee, *mutatis mutandis*.

15. Demand

The Franchisor may make demand in writing to the Guarantor at any time and from time to time, each such written demand to be accepted by the Guarantor as complete and satisfactory evidence of non-payment or non-performance of the Obligations by the Franchisee. The Guarantor shall pay to the Franchisor such amount or amounts payable under this Guarantee immediately upon such written demand.

16. Set-Off

The Guarantor agrees that any and all deposits, general or special, term or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Franchisor to the Guarantor or for the credit or account of the Guarantor, may be set-off and applied by the Franchisor at any time and from time to time, without notice (such notice being expressly waived by the Guarantor), against and on account of the Obligations even if any of them are contingent or unmatured.

17. Notice

Any notice, consent, approval, or demand, required or permitted to be given in connection with this Guarantee (in this Section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery) or transmitted by e-mail:

(a) in the case of a Notice to the Guarantor, at:

●

Attention: ●

E-mail: ●

(b) in the case of a Notice to the Franchisor, at:

CBT Ventures LLC
675 VFW Pkwy, #257
Chestnut Hill, MA, 02467
Attention: Chad Brodsky
E-mail: Franchising@citybrewtours.com

Any Notice delivered or transmitted as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 4:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 4:00 p.m. local time or if such day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day. In this Section, “**Business Day**” means any day, other than a Saturday or Sunday, on which Franchisor’s bank is open for commercial banking business during normal banking hours.

18. Costs and Expenses

The Guarantor agrees to pay all costs and expenses incurred by the Franchisor incurred in connection with: (i) the negotiation, preparation, execution of, and enforcement of its rights under, this Guarantee, provided that the fees, disbursements and other charges associated with the preparation of this Agreement shall not exceed \$500.

19. No Representations

The Guarantor acknowledges that this Guarantee has been delivered free of any conditions and that there are no representations which have been made to the Guarantor affecting the Guarantor’s liability under this Guarantee except as may be specifically embodied in this Guarantee and agrees that this Guarantee is in addition to and not in substitution for any other guarantee(s) held or which may subsequently be held by or for the benefit of the Franchisor.

20. Further Assurances

The Guarantor shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to give the Franchisor the full benefit and effect of, or intended by, this Guarantee, and shall provide such further documents or instruments required by the Franchisor as may be reasonably necessary or desirable to effect the purpose of this Guarantee and carry out its provisions.

21. Financial Disclosure

Upon demand by the Franchisor, the Guarantor shall deliver to the Franchisor such information concerning the financial status of the Guarantor as the Franchisor deems necessary, in its sole discretion.

22. Severability

If, in any jurisdiction, any provision of this Guarantee or its application to the Guarantor is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Guarantee and without affecting the validity or enforceability of such provision in any other jurisdiction.

23. Dispute Resolution

Sections 17.2 through 17.10 the Franchise Agreement are incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee will have the meaning given them in the Franchise Agreement.

24. Assignment and Inurement

The Franchisor shall be entitled to assign all of its rights under this Guarantee. This Guarantee shall inure to the benefit of the Franchisor’s heirs, executors, administrators, successors (including any successor by reason of amalgamation) and assigns, and shall be binding upon the Guarantor and its successors (including any

successor by reason of amalgamation), and permitted assigns and their respective heirs, attorneys, guardians, estate trustees, executors, trustees, successors and permitted assigns.

25. Execution and Delivery

This Guarantee may be executed in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

The Guarantor has duly executed this Guarantee.

(GUARANTOR)

Witness

Guarantor

Name: _____

[Insert Full Legal Name Of Guarantor]

Address: _____

(Insert Address)

INDEMNITY

In addition to the guarantee specified in Section 1 of the Guarantee, the Guarantor agrees to indemnify and save the Franchisor harmless from and against all costs, losses, expenses and damages it may suffer as a result or consequence of, any inability by the Franchisor to recover the ultimate balance due or remaining unpaid to the Franchisor in respect of the Obligations, including without limitation, legal fees on a substantial indemnity or equivalent basis incurred by or on behalf of the Franchisor resulting from any action instituted on the basis of the Guarantee and Indemnity.

Witness

[GUARANTOR]

Guarantor

Name: ●

[Address: ●]

Schedule “F”
to the Franchise Agreement
Employee Confidentiality and Non-Competition Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

BETWEEN:

(hereafter referred to as "Employer/Franchisee")

AND:

_____, residing and domiciled at

(hereafter referred to as the "Employee")

WHEREAS the Employer operates a business specialized in educational guided tours to breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events for sale to the public under the name "City Brew Tours" (the "Tour Business");

WHEREAS the Employee wishes to be employed by the Employer;

WHEREAS the Employee will have access to and obtain confidential information on the Employer and CBT Ventures LLC, the franchisor of the Employer, in the context of its employment with the Employer;

WHEREAS the Employer and CBT Ventures LLC wish to protect the confidential information;

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **PREAMBLE**

The preamble forms an integral part of the present agreement to reflect the intention of the parties hereto.

2. **CONFIDENTIAL INFORMATION**

For purposes of this agreement, "Confidential Information" means the City Brew Tour Concept and the Operations Manual including the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to the public and to our competitors and any proprietary information contained in the Operations Manual or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Tour Business, as well as the content of any document executed in connection with the Franchise Agreement. Confidential Information also includes, without limitation, methods, procedures, suggested pricing, marketing information, financial information and reports, specifications, processes, materials, techniques and other data used in operating the Tour Business.

3. **OBLIGATIONS OF CONFIDENTIALITY**

You agree, for the time of your employment with the Employer and on an unlimited time basis thereafter, not to disclose, copy, reproduce, sell or use for your benefit or that of any other person or entity any of the Confidential Information, other than to execute the work you were hired to do.

4. **NON-COMPETITION**

The Employee agrees and covenants, by these presents, not to, directly or indirectly, either for itself or on behalf or in conjunction with any other person, partnership, association or corporation, possess, maintain, engage in, lend money, lend its name, endorse any debt or obligation, provide aid or assistance, be employed, represent, participate or have an interest, of any nature whatsoever, in any enterprise in which all or part of its activities consist in franchising and/or offering educational guided tours to breweries, distilleries, cider houses, restaurants and taverns, rent-a-guide services and other special events for sale to the public.

This prohibition shall apply, for the time the Employee is employed by the Employer, to the entire state of _____. Subsequently, after the termination of your employment with the Employer, for any reason whatsoever, for a period of one (1) year, the present prohibition shall apply within a radius of twenty-five (25) miles as the crows from the front door of the place of business of the Employer or a twenty-five (25) mile radius around the coordinates of the Employer's default center point (DCP).

5. **APPLICABLE LAWS**

This agreement shall be construed, applied and governed pursuant to the laws of the state in which the Employer's business is operated.

All proceedings relating to this agreement and/or to the relationship between the parties shall be instituted exclusively before the courts having jurisdiction in the City in which the Employer operates its business.

Dated: _____

EMPLOYEE

Name in bold letters:

EMPLOYER

Per:

Schedule “G”
to the Franchise Agreement
Form of Franchise Compliance Certification

FORM OF FRANCHISE COMPLIANCE CERTIFICATION

The Franchise Compliance Certificate is not applicable in the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. **Do not sign or date this Certification the same day as the Receipt for the Disclosure Document; you should sign and date this Certification the same day you sign the Franchise Agreement.** Please review each of the following questions and statements carefully and provide honest and complete responses to each.

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.

1. You had your first face-to-face meeting with our representative on: _____, 20____.
2. Have you received and personally reviewed our Franchise Agreement and each Addendum (if any) and related agreement (i.e., personal guaranty) attached to them?

Yes _____ No _____

3. Did you receive the Franchise and each related agreement, containing all material terms, at least 7 days before signing any binding agreement with us or an affiliate?*

Yes _____ No _____

*This does not include changes to any agreement arising out of negotiations you initiated with us.

4. Do you understand all of the information contained in the Franchise Agreement and each Addendum (if any) and related agreement provided to you?

Yes _____ No _____

If No, what parts of the Franchise Agreement, Addendum (if any) and/or related agreements do you not understand? (Attach additional pages, if necessary.)

-
5. Have you received and personally reviewed our Disclosure Document ("FDD") that was provided to you?

Yes _____ No _____

6. Did you receive the FDD at least 14 days before signing the Franchise, this document or any related agreement, or before paying any funds to us or an affiliate?

Yes _____ No _____

7. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

8. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, if necessary.)

9. Do you acknowledge and understand that no parent or affiliate of ours promises to back us financially or otherwise guarantees our performance or commits to perform post-sale obligations for us?

Yes _____ No _____

10. Have you discussed the benefits and risks of purchasing a CITY BREW TOURS® franchise with an attorney, accountant or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

11. Do you understand that the success or failure of your CITY BREW TOURS® franchise will depend in large part upon your skills and abilities, competition from other businesses, and other economic and business factors?

Yes _____ No _____

12. Has any employee or other person speaking on our behalf made any statement or promise concerning the actual or possible revenues or profits of a CITY BREW TOURS® franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

13. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a CITY BREW TOURS® franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

14. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a CITY BREW TOURS® franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

15. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

16. If you have answered "Yes" to any one of questions 12-15, please provide a full explanation of each "Yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)
-

-
-
17. Do you understand that the Franchise Agreement, Addendum (if any) and related agreements contain the entire agreement between you and us concerning the CITY BREW TOURS® franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement, Addendum (if any) or related agreements will not be binding?*

Yes _____ No _____

* Nothing in this document or any related agreement is intended to disclaim the representations we made in the FDD that we furnished to you.

18. Do you understand that, except as provided in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement, Addendum (if any) and related agreements can be relied upon?

Yes _____ No _____

19. You signed the Franchise Agreement and Addendum (if any) and related agreements on _____, 20____, and acknowledge that no agreement or addendum is effective until signed and dated by us.

YOU UNDERSTAND THAT YOUR RESPONSES TO THESE QUESTIONS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS COMPLIANCE CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

The individuals signing below for the "**Franchise Applicant**" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Franchise Applicant, or constitute the duly authorized representatives or agents of the foregoing.

FRANCHISE APPLICANT:

Signature _____
Printed Name _____
Date: _____

Signature _____
Printed Name _____
Date: _____

Signature _____
Printed Name _____
Date: _____

Signature _____
Printed Name _____
Date: _____

EXHIBIT F
TO DISCLOSURE DOCUMENT

ADDENDUM (FINANCING)

ADDENDUM (FINANCING)

TO THE FRANCHISE AGREEMENT (THE "AGREEMENT") ENTERED INTO ON THE _____ DAY OF _____ BETWEEN CBT VENTURES LLC (THE "FRANCHISOR") AND _____ (THE "FRANCHISEE")

The parties hereto agree to amend the Agreement as follows:

- 1) The terms of Franchisee's payment of the Initial Franchise Fee stated in Paragraph 9.1 are changed from « The Initial Franchise Fee must be paid at the time you sign this Agreement ...» to « The Initial Franchise Fee must be paid as follows: (i) _____ dollars (\$_____) prior to or at the signing hereof and (ii) the balance, the amount of _____ dollars (\$_____) plus annual interest representing twelve percent (12%) of the balance, in _____ (____) equal, consecutive and monthly payments of _____ dollars (\$_____) in capital and of _____ dollars and _____ cents (\$_____) in interest, for a total monthly payment of _____ hundred and _____ dollars and _____ cents (\$_____), the first payment being due and payable on _____. In the event any monthly payment of the balance of the Initial Franchise Fee is not paid when due, the balance of the amount payable to the Franchisor at that time, in capital and interest, shall automatically and without notice become due and payable in full to the Franchisor. The Franchisee shall have the right at any time to pay the balance of the Initial Franchise Fee without penalty.
- 2) Unless specified otherwise, all words commencing with a capitalized term in this Addendum have the same meaning as in the Agreement.
- 3) All the remaining terms and conditions of the Agreement continue to apply and remain unchanged.

AND THE PARTIES HAVE SIGNED ON THE SAME DATE AS THE FRANCHISE AGREEMENT.

FRANCHISEE-_____

FRANCHISOR-CBT VENTURES LLC

By:
Title

By: Chad Brodsky
Title: President

INTERVENTION

By the present, the undersigned intervene to the present addendum to declare they have reviewed it and declare to be satisfied therewith.

Date: _____20__

(Print Name and Sign)

(Print Name and Sign)

EXHIBIT G
TO DISCLOSURE DOCUMENT
OPERATIONS MANUAL TABLE OF CONTENTS

OPERATIONS MANUAL – TABLE OF CONTENTS
(Approximately 111 pages)

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EXHIBIT H
TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS



To Management
CBT Ventures LLC
675 VFW Parkway #257
Chestnut Hill, MA 02467

4/13/2023

We have audited the accompanying financial statements of CBT Ventures LLC which comprise of the balance sheet as of December 31, 2022, the income statement, and the statement of cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of CBT Ventures LLC as of December 31, 2022 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.



CBT Ventures LLC
Balance Sheet

	2022	2021	2020
Assets			
Current Assets			
Cash In Bank	103,226	28,161	33,660
Total Current Assets	103,226	28,161	33,660
Other Current Assets			
Accounts Receivable	2,524		
Loans Receivable	46,671	7,547	19,186
Prepaid Expenses	127,417	66,000	0
Total Other Current Assets	176,612	73,547	19,186
Total Assets	279,838	101,707	52,846
Liabilities and Stockholder's Equity			
Current Liabilities			
Credit Card	0	166	0
Total Current Liabilities	0	166	0
Other Current Liabilities			
Deferred Revenue - Franchise Fees	122,500	48,000	0
Total Other Current Liabilities	122,500	48,000	0
Long Term Liabilities			
Loans Payable	118,974	36,243	35,000
Total Long Term Liabilities	118,974	36,243	35,000
Total Liabilities	241,474	84,409	35,000
Stockholder's Equity			
Retained Earnings	38,364	17,298	17,846
Total Stockholder's Equity	38,364	17,298	17,846
Total Liabilities and Stockholder's Equity	279,838	101,707	52,846



CBT Ventures LLC
Comparative Income
Statement

	2022	2021	2020
Income			
Franchise Fee Revenue	22,500	12,000	30,000
Marketing Fund Revenue	6,320	13,036	
Merchandise Revenue	765	92	
Royalty Revenue	35,815	14,544	3,537
Total Income	65,400	39,673	33,537
Expenses			
Advertising & Marketing	6,554	3,500	
Bank Charges			54
Computer & Software Expenses	0	999	
Dues & Subscriptions	2,495		
Filing Fees	400.00		128
Franchise Development	22,518	18,057	0
Insurance	9,759	5,015	5,015
Office Expense			66
Professional Fees	412	3,348	3,615
Payroll			6,092
Payroll Taxes			799
Payroll Processing Fees	24	144	380
Rent	550		
Meals	704	584	
Travel	2,573	5,678	3,648
Total Expenses	45,988	37,325	19,797
Net Operating Income	19,412	2,348	13,740
Other Income			
Interest Income	1,654	105	200
Total Other Income	1,654	105	200
Net Income	21,066	2,452	13,940



CBT Ventures LLC
Statement of Cash
Flows

	2022	2021	2020
Operating Activities			
Net Income	21,066	2,452	13,940
Adjustments to Reconcile Net Income			
Increase/Decrease in Deferred Revenue	74,500	48,000	
Increase/Decrease in Accounts Receivable	-2,524		
Increase/Decrease in Loans Receivable	-39,125	11,639	7,990
Increase/Decrease in Prepaid Expenses	-61,417	-66,000	
Increase/Decrease in Credit Cards Payable	-166	167	-4,163
Net Cash Provided/Used by Operating Activities	-7,665	-3,742	17,767
Financing Activities			
Proceeds From/Repayments of Loans Payable	82,731	1,243	12,500
Dividends Paid	0	-3,000	
Net Cash Used by Financing Activities	82,731	-1,757	12,500
Net Cash Increase/Decrease for Period	75,066	-5,499	30,267
Cash at Beginning of Period	28,161	33,660	3,393
Cash at End of Period	103,226	28,161	33,660



Notes to Financial Statements

Nature of Organization

CBT Ventures LLC is a Limited Liability Company that is a franchising entity for educational brewery tours and events throughout multiple cities.

Financial Statement Presentation

CBT Ventures LLC's financial statements are prepared in accordance with Accounting Procedures Generally Accepted in the United States.

Income Taxes

The Company is a Limited Liability Company and is treated as a disregarded entity for tax purposes. Therefore, it is not a tax paying entity for federal and certain state income tax purposes; accordingly, no provision has been made for such income taxes. The Stockholders' allocable shares of the Company's income or loss are reportable on their income tax returns.

Subsequent Events

Subsequent events have been evaluated through April 13, 2023 the date these financial statements were available to be issued.

**THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN
AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE
ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES
OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

CBT Ventures LLC
Balance Sheet
At March 31, 2023

Assets		
Current Assets		
Cash In Bank	183,980	
Total Current Assets		<u>183,980</u>
Other Current Assets		
Loans Receivable	19,007	
Prepaid Expenses	171,875	
Total Other Current Assets		<u>190,882</u>
Fixed Assets		
Vehicle	40,000	
Total Fixed Assets		<u>40,000</u>
Total Assets		<u><u>414,862</u></u>
Liabilities and Stockholder's Equity		
Current Liabilities		
Credit Card	791	
Total Current Liabilities		<u>791</u>
Other Current Liabilities		
Deferred Revenue	174,548	
Total Other Current Liabilities		<u>174,548</u>
Long Term Liabilities		
Loans Payable	174,262	
Total Long Term Liabilities		<u>174,262</u>
Total Liabilities		<u><u>349,600</u></u>
Stockholder's Equity		
Retained Earnings	65,262	
Total Stockholder's Equity		<u>65,262</u>
Total Liabilities and Stockholder's Equity		<u><u>414,862</u></u>

CBT Ventures LLC
Income Statement
For the Three Months Ended March 31, 2023

Income		
	Franchise Fee Revenue	40,000
	Marketing Fund Revenue	835
	Royalty Revenue	<u>4,725</u>
Total Income		45,560
Expenses		
	Advertising & Marketing	2,453
	Filing Fees	704
	Franchise Development	10,988
	Payroll Processing Fees	25
	Meals	288
	Travel	<u>4,284</u>
Total Expenses		<u>18,742</u>
Net Operating Income		26,817
Other Income		
	Interest Income	82
Total Other Income		<u>82</u>
Net Income for the Three Months Ended March 31, 2023		<u><u>26,899</u></u>

**EXHIBIT I
TO DISCLOSURE DOCUMENT**

LIST OF FRANCHISED LOCATIONS AS OF DECEMBER 31, 2022

Franchise	Business entity name	Owner name	Address	Phone number
South Jersey	Ride and Spirits LLC DBA City Brew Tours		833 S Main St	
	South Jersey	Lisa Lopez	Williamstown NJ 08094	856-263-2337
Charlotte, NC	American Ale Entertainment 1, LLC		51-28 30th Avenue	
		Connor Wolfarth	Woodside, NY 11377	980-399-HOPS
Birmingham, AL	BHAM Brew Tours, LLC	Scottie Hughes Dustin Hughes	565 Woodruff Parkway, Leeds, AL, 35094	205-740-2337
Jersey Shore	Jersey Shore Brewtours, LLC		508 State Route 71 Spring Lake Heights, NJ, 07762	732-217-4673
		Darren Blanco		

LIST OF ADDITIONAL FRANCHISED LOCATIONS AS OF ISSUANCE DATE

Franchise	Business entity name	Owner name	Address	Phone number
Austin, TX	Beer Nerd LLC	Jeff St. Andre	9708 Grapevine Leaf Dr. Manor, TX 78653	512-881-8687
Tampa, FL	Tampa City Brew Tours, LLC	Alan Sandler Jeffrey Sandler	4925 Independence Parkway #195	
		Bradley Sandler	Tampa FL 33634	813 923-2337
Milwaukee, WI	Milwaukee Brew Tours LLC		716 Cohasset Ct.	
		Ken Carrano	Gurnee, IL 60031	(224) 392-8973
Phoenix, AZ			2470 W Edgewater Way apt 3033	
	Cider Mama LLC	Holly Pigeon	Chandler, AZ 85248	480-573-8687

**EXHIBIT J
TO DISCLOSURE DOCUMENT**

LIST OF FORMER FRANCHISEES

CITY BREW TOURS® Franchisees who had who had Outlet Terminated, Cancelled, Not Renewed, Transferred or Otherwise Voluntarily or Involuntarily Ceased to do Business under a Franchise Agreement During the Year Ended December 31, 2022 or Who has not Communicated with the Franchisor Within 10 Weeks of the Issuance Date:

Raleigh, North Carolina
Jackson Schram Enterprises LLC
Mike Schram & Davin Jackson
1201 Varsity Dr.
Raleigh, NC 27606
Telephone Number: (984) 249-2337

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

EXHIBIT K
TO DISCLOSURE DOCUMENT
FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__ by and between **CBT VENTURES, LLC** (the "Franchisor"), and _____, a _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Releasor hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, managers, employees, affiliates, successors and assigns (collectively the "Released Parties"), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Releasor ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as "Claims"). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, Releasor shall have any Claim of any kind or nature whatsoever against the Released Parties, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. Waiver of Rights. This Release is intended by Releasor to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Releasor would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing' under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship.

[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]

3. Waiver of Civil Code Section 1542. This Release is intended by Releasor to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Releasor hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Releasor, would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Releasor acknowledges that Section 1542 of the Civil Code of the State of California provides as follows;

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially effected his settlement with the debtor."

In making this voluntary express waiver, Releasor acknowledges that Claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Releasor to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full,

complete and unconditional general release. Releasor acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. Release Not Admission. Releasor understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Releasor represents and warrants that Releasor has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:
By: _____
Printed Name: _____
Title: _____
Date: _____

EXHIBIT L
TO DISCLOSURE DOCUMENT
STATE ADDENDA

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

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

- a. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
- b. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
- d. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- f. The franchise agreement requires binding arbitration. The arbitration will occur at El Paso County, Colorado with the costs being borne by each party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- g. The franchise agreement requires application of the laws of the State of Colorado. This provision may not be enforceable under California law.
- h. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
- i. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
- j. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION and INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dpfi.ca.gov.

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

CALIFORNIA LAW MODIFICATIONS

1. 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:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. 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.).

c. The Agreement requires application of the laws of Massachusetts. This provision may not be enforceable under California law.

d. The Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

e. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the California Business and Professions Code, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

<Signatures on Following Page>

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
 By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

The following information applies to franchises and franchisees subject to the Illinois Disclosure Act of 1987. Item numbers correspond to those in the main body:

a. Item 5 is amended to state that payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

b. Item 17 - Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois. Illinois law governs the Franchise Agreement.

c. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise disclosure Act or any other law of Illinois is void.

d. Item 17 - 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.

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 et. seq. To the extent that this Agreement contains provisions that are inconsistent with the following, such provision are hereby amended:

a. Item 5 is amended to state that payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirements was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

b. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois. Illinois law governs the Franchise Agreement.

c. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise disclosure Act or any other law of Illinois is void.

d. 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.

e. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
_____ By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

Item 17 of the Franchise Disclosure Document is amended to include the following paragraph:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17 of the Franchise Disclosure Document is modified to include the words:

“Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

MARYLAND LAW MODIFICATION

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 CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2010 Repl. Vol. and Supp. 2010) (the “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, and/or assignment/transfer shall not apply to any liability under the Law.

b. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

c. Franchisee may bring a lawsuit in Maryland for claims arising under the Law.

d. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

e. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

<Signatures on Following Page>

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
_____ By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which 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 and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court may require a bond.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

MINNESOTA LAW MODIFICATION

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be mended to be consistent with Minnesota Franchise Act. Minn. Stat. Section 80C.01 et. seq., and the Rules and Regulations promulgated under the Act (collectively the “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 franchisee’s use of the franchisor’s proprietary marks infringes trademark rights of the third party.

b. Minn. Stat. Sec. 80C.14. Subds. 3, 4, and 5 requires, 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 shall be superseded by the Act’s requirements and shall have no force or effect.

c. If the 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 shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act.

d. If the Agreement requires that it be governed by the law of a State other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

e. Any provision that requires the Franchisee to consent to a claims period that differs from the applicable statute of limitations period under Minn. Stat. 80C.1, Subd. 5, may not be enforceable under Minnesota law.

f. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

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 Ch. 80C, including your rights to any procedure, forum, or remedies provided for in that law.

3. The Agreement and/or Franchise Disclosure Document is hereby amended to delete all referenced to Liquidated Damages (as defined) in violation of Minnesota law; provided, that no such deletion shall excuse Franchisee from liability for actual or other damages and the formula for Liquidated Damages in the Agreement and/or Franchise Disclosure Document shall 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 right to obtain injunctive relief are hereby amended to refer to Franchisor's right to seek to obtain such relief.

6. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Minnesota Law applicable to the provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
 By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

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

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

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

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

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

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

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

NORTH DAKOTA LAW MODIFICATION

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 to 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

2. a. If the 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 Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.

c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

d. If the Agreement requires that it be governed by the law of a state other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.

e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

g. Any provision that provides that the parties waive their right to a jury trial may not be enforceable under North Dakota law.

h. Any provision that provides that Franchisee consent to a waiver of punitive and exemplary damages may not be enforceable under North Dakota law.

i. Any provision that requires Franchisee to consent to a claims period that differs from the applicable statute of limitations period under North Dakota law may not be enforceable under North Dakota law.

j. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

3. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of North Dakota Franchise Investment Law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
_____	CBT VENTURES, LLC
By: _____	By: _____
Printed Name: _____	Name: Chad Brodsky
Title: _____	Title: President
Date: _____	Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law Tit. 19 Ch. 28.1 Sections 19-28.1-1 to 19-28.1-34. To the extent that this Agreement contains provisions that re inconsistent with the following, such provisions are hereby amended:

a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void with respect to any claims brought under Rhode Island Franchise Investment Act Sec. 19-21.1-14.

b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Section 19-28.1-14.

c. If Franchisee is required in this 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 Act, or a rule or order under the Act, such release shall exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments shall be void with respect to claims under the Act.

d. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Rhode Island Franchise Investment Act, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

<Signatures on Following Page>

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
 By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for CBT VENTURES, LLC 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.”

“Any securities offered or sold by the Investor Franchisee as part of the CBT VENTURES, LLC Franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.”

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON**

The State of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, 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.

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

WASHINGTON LAW MODIFICATIONS

The State of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, 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.

Section 19 of the Franchise Agreement is hereby deleted in its entirety.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
_____ By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

**ADDENDUM TO
CBT VENTURES, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

The CBT VENTURES, LLC Franchise Agreement between CBT VENTURES, LLC (“Franchisor”) and _____ (“Franchisee”) dated _____ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “State Addendum”):

WISCONSIN LAW MODIFICATIONS

1. Notwithstanding anything that may be contained in the body of the Franchise Agreement to the contrary, the Agreement is hereby amended to add the following provision:

For all franchises sold in the State of Wisconsin, the Company will provide Franchisee at least 90 days’ prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that Franchisee have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, Franchisee will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between the Company and Franchisee inconsistent with the Law.

3. Section 19 of the Franchise Agreement is hereby deleted in its entirety.

4. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of Washington law, with respect to each such provision are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:	FRANCHISOR:
_____ By: _____ Printed Name: _____ Title: _____ Date: _____	CBT VENTURES, LLC By: _____ Name: Chad Brodsky Title: President Date: _____

EXHIBIT M
TO DISCLOSURE DOCUMENT

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	Not Registered
Hawaii	Not Registered
Illinois	Pending
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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

EXHIBIT N
TO DISCLOSURE DOCUMENT
RECEIPTS

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 CBT Ventures, LLC 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 grant. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If CBT Ventures, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchise sellers for this offering are CBT Ventures, LLC; Chad Brodsky, President and Director; Isaac Bell, Business Development Manager; Todd Summers, Franchise Sales Manager; and Matt LaRosa, Sales and Development Specialist. Their contact information is 675 VFW Pkwy, #257, Chestnut Hill, MA, 02467, (888) 623-8687.

Issuance date: **May 1, 2023**

CBT Ventures, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated **May 1, 2023**, that included the following Exhibits:

A.	State Agencies/Agents for Service of Process	H.	Financial Statements
B.	Franchise Request Form	I.	List of Franchisees
C.	Confidentiality and Non-Disclosure Agreement	J.	List of Former Franchisees
D.	Deposit Agreement	K.	Form of General Release
E.	Franchise Agreement with Exhibits	L.	State Addendum
F.	Addendum (Financing)	M.	State Effective Dates
G.	Operation Manual Table of Contents	N.	Receipts

Date: _____
(Do not leave blank)

Proposed Location: _____
(city/state)

Signature of Prospective Franchisee

Print Name: _____

You may return the signed receipt either by signing, dating, and mailing it to Mr. Chad Brodsky, 675 VFW Pkwy, #257, Chestnut Hill, MA, 02467, (888) 623-8687, or by emailing it to franchising@citybrewtours.com.

RECEIPT

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If CBT Ventures, LLC 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 grant. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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