



FRANCHISE DISCLOSURE DOCUMENT

CITY PUBLICATIONS FRANCHISE GROUP, INC.

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CITY PUBLICATIONS FRANCHISE GROUP, INC. offers franchises for the operation of a business which provides high quality direct mail advertising to a target market of affluent homeowners.

The total investment necessary to begin operation of a City Publications franchise is from \$46,300 to \$269,900. That includes from \$40,000 to \$250,000 that must be paid to the franchisor and an affiliate.

This disclosure document summarizes certain provision of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in a different format, contact Richard Houden at the number or web address listed above.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W. 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.

The date of issuance of this Franchise Disclosure Document is April 20, 2025.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E 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 Publications 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 Publications franchisee?	Item 20 or Exhibit F lists 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 [B]. Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About This *Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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

**COVER PAGE FOR SALE OF FRANCHISES BY
CITY PUBLICATIONS FRANCHISE GROUP, INC., IN THE STATE OF MICHIGAN**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The fact that the proposed transferee to meet 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 permit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

The fact that there is a notice of this 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 the office of the attorney general, 670 Law Building, Lansing, Michigan 48913, (517) 373-7117.

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

The Franchisor

To simplify the language in this Disclosure Document, the words "we", "us" or "our" mean the franchisor, CITY PUBLICATIONS FRANCHISE GROUP, INC. The word "you" means the person to whom we award the franchise. If you are a corporation, partnership, limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted. We were incorporated in the State of Georgia on December 31, 2002. Our principal business address is 1300 Parkwood Circle SE, Suite 100, Atlanta, Georgia 30339. We do business only under the name "City Publications."

Our Business Activities and Description of the Franchise

We were formed solely for the purpose of offering franchises and supporting franchisees who operate businesses in conjunction with the trademark "CITY PUBLICATIONS" and certain associated logos (collectively referred to as the "Marks"), and in accordance with our "System" which is described in greater detail in our Franchise Agreement, attached as Exhibit C to this Disclosure Document. We refer to these businesses as "CITY PUBLICATIONS Businesses." We refer to the CITY PUBLICATIONS Business you will operate as the "Franchised Business." Each CITY PUBLICATIONS Business provides high quality direct mail, email and mobile marketing, advertising targeted to the affluent homeowner. You may operate and administer the Franchised Business from a home office space of approximately 100 to 200 square feet. Typically, you will be located within or near the area you are servicing.

We have offered franchises since our formation in 2002. We do not and have not previously offered franchises in any other line of business. We do not own or operate a business of the type being franchised, however, as described below, our affiliate, through common ownership, operates one such business in Atlanta, Georgia. We are not engaged in any other line of business.

Starting in 2025 we are also offering a print advertising franchise model in which the product is a booklet of advertisements, rather than a deck of loose individual card advertisements. We expect to offer it both to current City Publication franchisees as well as those not then a part of our franchise system. For an existing City Publications franchisee, there would not be any additional franchise fee or additional franchise agreement, and you would be able to offer the booklet product anywhere within your territory. For a new franchisee, you would pay an initial franchise fee of \$29,000 and sign a franchise agreement. We are offering this new product in part to reach smaller towns and territories. As with our traditional card deck model, we and our affiliate would do the graphic design, printing and mailing, for a fee.

Our Predecessors and Affiliates

We have one Predecessor and no parent company. Our Predecessor, Pride of the City, Inc. operated one business in Atlanta, Georgia that was similar to the franchised businesses offered through this Disclosure Document. In addition, from March 2002 until April 2004, our Predecessor offered licenses for the establishment of businesses under the "The Pride of the City" trademark, which were similar to the franchised businesses offered through this Disclosure Document. None of those licensees are still operating.

We have one Affiliate, City Publications Service, Inc. (the "Affiliate"). Our Affiliate shares our offices at 1300 Parkwood Circle SE, Suite 100, Atlanta, Georgia 30339. Our Affiliate provides marketing, and

design services and mailing list services to our franchisees, in addition to its other marketing activities unrelated to the franchise system. No affiliate or predecessor has previously offered franchises in this or any other line of business. Our Affiliate, or another entity with similar ownership, may in the future offer a license for an advertising business that would feature coupon booklets or some other coupon format, but not the loose card decks offered through this Disclosure Document, and not using any of the proprietary marks licensed in your Franchise Agreement. Those businesses might operate within the area we license to you under your Franchise Agreement.

Market and Competition

Our target customers are business owners seeking to advertise upscale or big-ticket consumer goods and services to an exclusive group of affluent homeowners. We believe the general market for direct mail advertising targeting homeowners is developed. Fluctuations in the buying habits of consumers, local and national economic conditions and population density affect the advertising industry and are generally difficult to predict. As a franchisee, you will likely face competition from national, regional and local businesses offering direct mail and other means of advertising as well as individuals offering similar services. You may also face competition from Affiliate's licensees, Affiliate-owned businesses offering similar services and other franchisees.

In addition, there is significant competition in this industry for qualified sales personnel, should you need them.

Industry Specific Regulations

Although there are no laws or regulations specific to operating a Franchised Business, you are encouraged to seek the advice of your attorney and must comply with all local, state, and federal laws that generally apply to all businesses.

Agents for Service of Process

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

ITEM 2. BUSINESS EXPERIENCE

President: Richard Houden

Richard Houden serves as our President and has done so since our incorporation in December 2002. In addition, Mr. Houden has served as President of the Affiliate.

Franchise Development: Nives Stanetti

Nives Stanetti serves as our Franchise Development Officer and has worked in that capacity since April 2015. She has worked for us since July 2000, serving in a variety of roles.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

The initial Franchise Fee varies depending upon characteristics of the territory of the franchise such as the availability of mailing lists for residents within the territory, home values and demographics. The standard Franchise Fee is \$89,000. The maximum Franchise Fee is \$250,000. Assuming a territory consisting of approximately 100,000 homes of an appropriate market value, the Franchise Fee would approximate \$40,000. A second market with 25,000- 50,000 qualified homes is \$50,000. Franchise fees paid in 2024 were in a range from \$60,000 to \$89,000, depending on the size of the territory. You must pay us the Franchise Fee in a lump sum when you sign the Franchise Agreement. The initial Franchise Fee is non-refundable. You pay us or our affiliate no other fees or payments for services or goods before your business opens.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales for Standard card deck mailings. 3% of Gross Sales for single card mailings and digital advertising	Payable twice each calendar quarter, based on the schedule for each deck mailing	See definition of Gross Sales. ² (Section 1) In case of deck/booklet cancelation, any royalty prepaid for that deck or booklet will be applied to any mailings taking place within the next four months, up to a maximum of two mailings. After four months, the prepaid royalty is non-refundable.
Minimum Royalty (1)	\$2,500 for each mailing that you fail to achieve each year.	Each Year	After the first calendar year of the term of your franchise, you must do a minimum of four mailings in each mailing zone granted to you, or pay us \$2,500 for each zone and mailing that you fail to do. You must do the first mailing within the first nine months.
Renewal Fee	\$1,000	At the end of each year term	Payable to us to renew the term of the franchise at the expiration of the initial term or renewal term. (Section 5.B)
Graphics Services Fee	Current rates as published in the Manual or a published price list, currently \$60.00 per hour. For other programs design fee of \$60.00 per hour applies.	Time of service	Payable to our Affiliate for preparing printer-ready artwork using information and materials that you provide. You must obtain the advertiser's approval of the artwork and handle all other communications with the advertiser. (Section 4.F)
Mailing List Rental Fee	Current rates and details are published in the Manual or a published price list, currently	Time of rental	Payable to our Affiliate for each use of the Mailing List. Our mailing data is continually updated. (Section 4.D)

Type of Fee	Amount	Due Date	Remarks
	\$1,500 per 50,000 names for one use.		Mailing List payments are not refundable.
Postage Expenses	Actual U.S. Postal Service rates	As invoiced	You reimburse us any postage expenses we may incur for the mailing of direct mail advertisements that we mail on your behalf. (Section 4.H)
Audit Expenses	Cost of audit plus interest on underpayment	As invoiced	Audit costs payable only if the audit shows an understatement in amounts due of at least 3%. (Section 12.D)
Late Fees	\$100 per occurrence, plus interest on overdue amount at highest applicable legal rate, not to exceed 1.5% per month	With late payment	Applies to all Royalty Fee or other fee payments, postage expenses and other amounts due us or our Affiliate (Section 4.K) Note that the maximum interest rate in California is 10% annually.
Management Fee for VeriCast Program (3)	\$65 per month	First of each month, in advance	Due to us if you choose to participate in the VeriCast Program. Not available in all markets.
Insurance Policies	Amount of unpaid premiums	You must have the policies within 180 days after signing the Franchise Agreement	Payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (Section 16.D)
Transfer Fee	\$25,000	At the time of transfer	Payable when you sell your franchise. (Section 20.B.7) We provide 5 hours onboarding training to your transferee.
Additional Training	Current rates as published in the Manual; currently \$400 per day, and your expenses as well as your employees' expenses in attending	Time of service	We provide training for you and one additional person. You pay for additional training if you request it. (Section 10.A)
Additional Operations Assistance	Current rates as published in the Manual; currently \$400 per day per person plus our expenses	Time of assistance	We provide approximately 3 days of assistance around the beginning of operations in addition to initial training. You pay for additional assistance if you request it. (Section 10.D)
Ongoing Training\ Annual Gatherings	You are required to pay your expenses as well as your employees' expenses in attending these programs	Time of program	Attendance will not be required more than 2 times per calendar year and attendance will not exceed 2 days per

Type of Fee	Amount	Due Date	Remarks
			calendar year. Annual gathering is a required event. (Section 10.E)
Liquidated Damages	Will vary under the circumstances	Upon demand	If the Franchise Agreement terminates before its term is completed because of your breach, we are entitled to receive monetary compensation equal to the most recent 24 months of royalties, subject to adjustment if there were less than 24 months left in the term, or if you have been in business for less than 24 months.
Management Fee	\$350 per month.	First of each month	Paid for ongoing technology support with electronic deployment of lead generation, electronic delivery of the card decks, operation support, etc.
City Publications Website Fee/Email Set Up fee	One time website set up fee of \$500 plus \$115.00/month paid directly to vendor One time Email Set up Fee: \$300	Monthly with credit card on file	Each Franchisee is required to maintain a local market website.
CRM System	\$180 annual charge paid to us	Annual charge with credit card on file	This is for Customer Relationship Management system approved by us We then pay the third-party CRM provider.
Advertising	No requirement	Not applicable	There is no advertising requirement for our franchisees, whether national advertising, local advertising, or cooperative advertising
Marketing Materials Fee	\$150/month	After first three months of opening.	Payable to us.
Data Audience Report (4)	\$300 for each zone	After your first two mailings	Payable to a third party after you have completed your first two mailings

No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any other third party. All fees are non-refundable.

NOTES

¹ During the term of the Agreement, you must generate one 50,000 circulation card pack in the first mailing zone as defined within the territory for the first nine months; each consecutive calendar year thereafter, you must generate at least four 50,000 circulation cards packs in each zone. Beginning with your fourth year, you must generate at least five 50,000 circulation cards pack in each zone. If you fail to do the required five number mailings in each zone, you must pay us \$2,500 for each zone and each mailing that you fail to achieve. If you fail to do the required mailings and fail to pay to required \$2,500 fee to cure such a breach, we may terminate the Franchise Agreement. (Section 18.B)

² "Gross Sales" means the aggregate of all revenue accrued from the sale of all direct mail advertising and from goods and services and products from all sources in connection with the Franchised Business, whether for check, cash, credit or otherwise, including all proceeds from any business interruption insurance, but excluding all refunds made in good faith, promotional and coupon discounts, and any sales and equivalent taxes which are collected by you for or on behalf of any governmental taxing authority. Accrued revenue includes the cash value of any payments in kind or barter exchanges. Revenue accrues and shall be accounted for in Gross Sales upon your entering into any agreement for the sale of products and services, whether such agreement is written, verbal or constituted by the submittal of materials for processing or any other act of agreement. (Section 1)

3. We have an optional program with VerCast, an unrelated third party, which our franchisees in good standing with us can choose to participate in. Instead of a mailing of a full deck of advertising cards, this is a mailing of only one card. Revenues generated by this program are subject to reduced royalties at a rate of 3% of the revenue from that mailing. If you choose to participate in this program, you are required to pay us \$65 per month as a management fee, due in advance on the first of each month. The VeriCast program is not available in all geographic areas and can be terminated by VeriCast at any time. In order to participate in the VeriCast program, you must publish your deck mailers first, and continue to produce quarterly 50,000 deck mailers. This program is not available in all areas.

4 The Data Audience Report provides you with information about the population within your territory, to help you solicit advertisers.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Franchise Fee ¹	\$ 40,000 - 250,000	Cashier's Check, Electronic transfer	When you sign your franchise agreement.	Us
Real Estate/Rent ²	0 - 500	As Arranged	As Incurred	Third Parties
Utility Deposits ³	0 - 500	As Arranged	As Incurred	Third Parties
	0 -	As Arranged	As Incurred	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Leasehold Improvements ⁴	500			
Required Software ⁵	500 -	As Arranged	As Incurred	Third Parties
Initial Inventory of Order Forms ⁶	150-200 -	As Arranged	As Incurred	Us, Approved Suppliers
Insurance ⁷	600 - 800	As Arranged	As Incurred	Third Parties
Vehicle ⁸	300 - 600	As Arranged	As Incurred	Third Parties
Office Equipment and Supplies ⁹	400 - 2,500	As Arranged	As Incurred	Third Parties
Training ¹⁰	250 - 500	As Arranged	As Incurred	Third Parties
Licenses & Permits ¹¹	0 - 250	As Arranged	As Incurred	Third Parties
Legal/Accounting ¹²	500 - 1,000	As Arranged	As Incurred	Third Parties
Website and email setup fees	800	Lump Sum	As incurred	Designated vendors
Startup Marketing materials	\$1,250	Lump Sum	Within first month after opening	Us
Additional Funds ¹³ (3 months)	1,500 to - 10,000	As Arranged	As Incurred	Third Parties
TOTAL ¹⁴	\$46,300 to \$269,900 -			

NOTES

¹ Franchise Fee. The Franchise Fee varies as described in ITEM 5 of this Disclosure Document. The Franchise Fee includes payment for: Access to proprietary materials and process to include an initial supply of sales materials; A designated website for your Franchised Business, with a link between your website and ours; Exclusive rights to distribute Card Decks and other approved products within your territory as described in Item 12. The Initial Franchise fee is not refundable. All other items listed in the chart in this Item 7 are paid to third party vendors and those vendors determine the refundability of any of those items.

The CITY PUBLICATIONS Quick Start Program; Lead generation and appointment setting assistance ("Appointment Services") during your first advertising sales presentations. We provide you with assistance during the preset sales appointments for the initial training. All the training modules of our official Quick Start Program are provided virtually, at our discretion. If in-person training is required, you are responsible for all travel expenses to the corporate headquarters for your initial training or another location we designate.

An initial training program and training materials conducted virtually, or at our headquarters or another location we designate, (see ITEM 11); On-site sales training and assistance as further described in ITEM 11; and or general sales and marketing expenses, legal, accounting and other professional fees.

² Real Estate/Rent. Subject to applicable laws, ordinances and restrictions, you may operate the Franchised Business from your home or any location. You will need a space of approximately 100 to 200 square feet for an office. Should you decide to lease a space, lease acquisition costs are difficult to estimate because of the wide variation in these costs between various locations. Lease costs will vary based upon variance in square footage, cost per square foot and required maintenance costs. We assume the landlord will require the first month's rent and possibly a security deposit equal to one month's rent. The amounts paid are typically not refundable except for a security deposit which may be refunded.

³ Utility Deposits. You will generally incur certain deposits with local utilities, for example, electric, telephone, gas, water and others if you are a new customer. The deposit will vary depending upon the policy of the local utility.

⁴ Leasehold Improvements. If you lease a space, you may need to make minimal leasehold improvements to support office equipment such as a phone or computer system. The cost of leasehold improvements will vary based upon size, condition and location of the Franchised Business, local wage rates and material costs.

⁵ Required Software. You must purchase a software license for Quickbooks as further described in ITEMS 8 and 11. The cost of required software varies based on the number of licensed users.

⁶ Initial Inventory of Order Forms. You will be required to purchase an initial inventory of advertising card order forms for your customer orders. These costs vary based upon the quantity of forms and other factors.

⁷ Insurance. Requirements are described in greater detail in Section 16 of the Franchise Agreement. Factors that may affect your cost of insurance include your location, carriers, the model, year and type of vehicle you use and other factors.

⁸ Vehicle. You must have access to a vehicle suitable to make sales calls. The range shown represents lease payments for one to two months. Payments will vary depending on make, model and year of the vehicle. We have no specifications for the type of vehicle, but suggest that it be one that does not detract from your businesslike image.

⁹ Office Equipment and Supplies. You must purchase general office equipment and supplies including stationery, and a computer system which is described in ITEM 11. Factors that may affect your cost of office equipment and supplies include local market conditions, the size of your office, suppliers and other factors.

¹⁰ Training. You are not charged an additional fee for initial training. You are responsible for meals, transportation to and from our headquarters in Atlanta, and all accommodations for the initial training if we decide that in-person training is appropriate, otherwise all training modules, appointment setting, on-going coaching/ mentoring and all communications are conducted virtually.

¹¹ Licenses & Permits. These amounts will be incurred for costs such as operating licenses and permits. Your actual costs may vary from the estimates based on the requirements of local government authorities.

¹² Legal/Accounting. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from state to state depending upon each state's laws and the prevailing rate of attorneys' and accountants' fees.

¹³ Additional Funds. This amount estimates the expenses you will incur during the first 3 months of operation, including employees' salaries, rent, taxes, advertising, and utility expenses and miscellaneous expenses. These amounts are estimates, and we cannot guarantee that such an amount will be sufficient. Additional working capital may be required if sales are low and fixed costs are high.

¹⁴ Total. In compiling this chart, we relied on our management's and Affiliate's many years of experience in operating and franchising CITY PUBLICATIONS businesses similar to the Franchised Business you will establish and operate. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. We do not offer direct financing to you for any item. All or part of your investment may be financed by a bank or other lending institution on terms we cannot estimate.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described in this ITEM, you are not required to purchase or lease any goods, services, supplies, fixtures, equipment, inventory or real estate relating to the establishment or operation of the Franchised Business from us or designated suppliers.

Proprietary Products & Services

All computer hardware and software, equipment, forms, marketing materials, stationery, supplies and other materials used in the Franchised Business must comply with our specifications and, if required by us, must be purchased only from approved vendors that we designate or approve. We formulate or modify our specifications for materials to be used in the Franchised Business based on our and our Affiliate's industry knowledge and many years of operating a CITY PUBLICATIONS Business.

We and our Affiliates have developed certain proprietary items and services, including customized direct mail Card Packs, customized Specialty Programs, SEO Programs, Graphics Services for the art design and printing of direct mail card packs, target market mailing lists, lead generation, packaging, branding materials, and other items which are integral to the operation of CITY PUBLICATIONS Businesses ("Proprietary Products & Services"). You must order and purchase all of your requirements of Proprietary Products & Services exclusively from us, our Affiliate(s) or a supplier designated by us. We do not allow you to contract with alternative suppliers for these items and therefore do not have a procedure by which you would submit to us information regarding alternative suppliers. Because we do not allow use of alternative suppliers for these services, you will never pay us for such a review, and there is no stated time frame within which we would be responding. You must also purchase sufficient Proprietary Products & Services as necessary to operate the Franchised Business at full capacity. We commit to provide the Proprietary Products & Services at competitive prices; however,

you recognize that we and our Affiliates have the right to earn a reasonable profit on the sale of our Proprietary Products & Services. We estimate that your purchase of Proprietary Products & Services will represent approximately 100% of the cost of goods sold. Cost of goods sold as a percentage of revenue varies both as the size of the Card Pack changes and as the average selling price changes. In the year that ended on December 31, 2024, we, through our affiliate, derived \$310,380 from the sale of Proprietary Products & Services to franchisees, which constituted approximately 23% of our total 2024 revenue of \$1,413,271.

Insurance

You must procure, at your sole expense and maintain in full force and effect during the term of the Franchise Agreement, the following insurance naming us as additional insured and/or loss payee, in addition to any other insurance that may be required by applicable law, any lender or landlord. In addition, each insurance policy shall contain a waiver of all subrogation rights against us and our successors and assigns.

1. Comprehensive general public liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised Business, or your conduct of business pursuant to the Franchise Agreement, providing minimum liability coverage for claims, as specified by us from time to time; currently the minimum is One Million Dollars (\$1,000,000.00).
2. "All Risk" coverage insurance on all contents including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business for full "replacement cost" coverage.
3. Workers' Compensation that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a One Hundred Thousand Dollar (\$100,000.00) minimum limit or, if greater, the statutory minimum limit if required by state law.
4. Automobile Liability Insurance for owned, hired and non-owned vehicles with a combined single limit of at least One Million Dollars (\$1,000,000.00).
5. General property damage insurance, including fire and extended coverage, vandalism and malicious mischief insurance.
6. Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 22.B. of the Franchise Agreement.
7. Such trucking, shipping, freight or F.O.B. insurance coverage as is necessary to provide coverage for any loss or damage to direct mail advertisement pieces in transit. We and our Affiliates are not liable for losses resulting from the damage to or loss of materials or services provided in excess of the replacement costs of the materials or services.
8. Business interruption insurance in amounts and with terms acceptable to us.

Miscellaneous

We may negotiate group rates, as appropriate, for purchases of equipment and supplies necessary for the operation of the Franchised Business. This is calculated before any fees to franchise are applied. There are no purchasing or distribution cooperatives which you are required to join.

Although currently we (nor any Affiliate) do not receive revenue or other material consideration from any third-party suppliers as a result of purchases by you or any other franchisee, we retain the right to do so in the future. There are no other approved suppliers in which any of our officers owns an interest.

We estimate that less than 5% of your required expenditures for leases and purchases in establishing your Franchised Business will be from required sources we designate and less than 10% of your expenditures for operating expenses will be purchased from us, our Affiliate, or a designated supplier.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Franchised Businesses) based on whether or not you purchase through the sources we designate or approve, however, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation		Section In Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	None	ITEM 11
b.	Pre-opening purchases/leases	Sections 6 and 16	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	Sections 6 and 10	ITEMS 7 and 11
d.	Initial and ongoing training	Sections 10.A and 10.E	ITEMS 6, 7 and 11
e.	Opening	Section 6	ITEM 11
f.	Fees	Sections 4, 5, 10, 12, 13, 14, 16, 20, 22 and 23	ITEMS 5 and 6
g.	Compliance with standards and policies/Operating Manual	Sections 7, 8, 9, 11, 12, 13 and 14	ITEM 8
h.	Trademarks and proprietary information	Sections 7, 8 and 9	ITEMS 13 and 14
i.	Restrictions on products/services offered	Sections 7, 9, 13 and 14	ITEMS 8 and 16
j.	Warranty and customer service requirements	Section 14	ITEM 16
k.	Territorial development and sales quotas	Section 14	ITEM 12
l.	Ongoing product/service purchases	Sections 4 and 14	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	Section 13	ITEM 6

Obligation		Section In Agreement	Disclosure Document Item
n.	Insurance	Section 16	ITEMS 6, 7 and 8
o.	Advertising	Section 11	ITEMS 6 and 11
p.	Indemnification	Section 22	ITEM 6
q.	Owner's participation/ management/staffing	Section 14	ITEM 15
r.	Records and reports	Section 12	ITEM 11
s.	Inspections and audits	Sections 7 and 12	ITEMS 6, 11 and 13
t.	Transfer	Section 20	ITEM 17
u.	Renewal	Sections 4 and 5.B	ITEM 17
v.	Post-termination obligations	Sections 8 and 19	ITEM 17
w.	Non-competition covenants	Sections 8 and 17	ITEM 17
x.	Dispute resolution	Section 24	ITEM 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

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

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

A. Pre-Opening Assistance

Before you begin operating your Franchised Business, we will:

1. Designate your "Exclusive Territory" within which you will operate your Franchised Business. See ITEM 12 for additional information on the Exclusive Territory. (Section 3.B)
2. Provide you with the CITY PUBLICATIONS Quick Start Program of information, activities and materials to assist you in opening your Franchised Business. (Section 4.A.4)
3. Design and create a website for the Franchised Business with a link between our website and yours. (Section 4.A.2)
4. Provide an initial training program for approximately 48 hours in 2-3 day sessions. These have previously been done in Atlanta and at your offices but

we now reserve the right to do any and all inhouse training remotely via live webinars. All modules will remain in the curriculum. Requirements of each training session with corporate team or with approved vendors remain with standard content and time to complete. This implementation is a result of the 2020 COVID-19 Coronavirus outbreak and is in the interest and the well-being of all new Franchisees and City Publications Employees. (Section 10A).

5. Loan you a virtual ~~one~~ copy of the CITY PUBLICATIONS Operating Manual as well as the individual PowerPoint Presentations, as more fully described in Section 9 of the Franchise Agreement. The Table of Contents of the Operating Manual is included as Exhibit D to this Disclosure Document.

B. Ongoing Assistance

During the operation of your Franchised Business, we will:

1. Provide you with virtual assistance and guidance for approximately 2-3 days to assist you with any questions you may have. (Section 10.D)
2. Provide you with lead generation and appointment setting coaching (“Appointment Services”) during your first sales appointments.
3. Be available by telephone, or email to discuss any problem and to render advice and guidance with respect to planning, opening and operation of the Franchised Business and other aspects of the System during normal business hours. We do not charge for these services, however, we retain the right to discontinue this service should you, in our discretion, be deemed to be utilizing this service too frequently or in an unintended manner. (Section 15.A)
4. Review and provide you with advice regarding your printing schedule. If we believe any particular print date cannot be met, we can change it to a more reasonable date.
5. If needed, make periodic in-person or virtual visits to assist your Franchised Business for the purposes of consultation, assistance and guidance in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements. (Section 15.B)
6. Provide you with amendments to the CITY PUBLICATIOIS FRANCHISE GROUP, INC. Operating Manual as they are made available to franchisees. (Section 9.B)
7. Provide ongoing training during your first full year of operations, for which you will pay us \$500 each month. After the first year, we will make available various refresher virtual training seminars. (Section 10.E)
8. Periodically provide advertising and promotional materials including ad-slicks, brochures, fliers, and other materials for your use. (Section 15.C)

9. Periodically make available changes and additions to the System as generally made available to franchisees. (Section 8.B)
10. We have established email marketing, which is optional to you, with vendors that we have selected. (Section 4b)
11. We have a license with a third party for a single card mailing program, called a VeriCast Program, and if you are in good standing with us and if the Program is available in your territory, you can choose to participate. (Section 4L)
12. All the training, mentoring and coaching modules are mandatory. Franchise must be available at the designated times allotted for their official training and training updates.
13. We are not obligated to assist you in selecting the prices you charge and we do not set your prices, whether minimum prices, maximum prices or otherwise.

C. Advertising and Promotion

1. There is no advertising program for which you are required to make contributions. There is no advertising council composed of franchisees. We may elect at a future time to arrange cooperative advertising. You may elect with other franchisees to establish cooperative advertising for a select area encompassing your mutual territories. It is optional for the franchisees to participate in such a cooperative. If such a cooperative is established, we anticipate that each franchisee in the given area would automatically be a member, with one vote per franchise agreement. Any company or affiliate owned outlets would also be members and would be required to make the same contributions as the other members. Since there are no cooperatives at this point or ever in the past, we do not have a policy on an amount that franchisees would be required to contribute to the cooperative. We anticipate that the members would establish a governing board and would adopt governing documents that would be available for review by a prospective franchisee. (Section 11B)
2. We have established and maintain an Internet website at www.citypublication.com that provides information about the CITY PUBLICATIONS System and the services that you and we provide. We will establish a website for your Franchised Business with a link to our website. You are responsible for maintaining the website created for your Franchised Business. We may (but are not required to) include an interior page at our website about your Franchised Business. If we include information about your Franchised Business on our website, we may require you to prepare all or a portion of the page at your expense using our template. We review and approve all information you prepare prior to posting it. We retain the sole right to market on the Internet, including all use of websites, domain names, URL's linking, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be required to provide content for our Internet marketing. You must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms, meta-tags, and in connection with linking, marketing, digital marketing, social

media platforms such as Facebook, Twitter, LinkedIn, and any co-branding and other arrangements. We retain the sole right to approve any linking or other use of our website. You may not establish a presence on, or market using, the Internet for the Franchised Business unless you first obtain our consent. If we approve your independent website, we may require that your site may only be accessed through our home page. (Section 11.D)

D. Computer System/Point-of-Sale System

As referenced in ITEM 7 above, we require you to purchase and utilize the current versions of the following computer software:

- Latest version of QuickBooks Pro
- Most current Windows or MAC operating system
- MS Office – Excel, Word, Outlook
- Smart Phone (only to be used for City Publications Business, must have professional City Publications greetings)
- Adobe Acrobat Professional

In addition, you must purchase and utilize computer hardware which will permit you to operate the required software. The computer hardware you use must be IBM or MAC compatible, but we do not currently impose any other specifications for computer hardware or software. We suggest that you have a laptop computer and your will need a color laser printer.

We require you to purchase and begin using any version upgrades to the specified software within 6 months of the upgraded version's availability. We also require you to update your computer's CPU and your printer at least every 3 years. We estimate that you will spend approximately \$1,500 to purchase the computer hardware and software, and should expect to spend approximately \$1,000 per year on updates, upgrades and upkeep.

E. Methods Used to Select the Location of the Franchised Business

1. We do not require an approved location. Subject to zoning and local ordinances, franchisees are permitted to operate the Franchised Business from their homes or any location. We do not select your site.
2. The typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Business will be 3 months. You must be operational within 6 months after signing the Franchise Agreement. Factors which may affect your beginning operations include ability to find a suitable office (if you are not able to utilize a home office in your residence) and completion of the initial training program. (Section 6.B.1)

F. Initial Training

We will provide an initial training program which you must attend and complete to our satisfaction. Initial Training is conducted online at this time. You must successfully complete the training program no later than three months after you sign your franchise agreement. Both in connection with the training program and in the operation of your franchised business, we require that you respond to all communications from us within 24 hours of your receipt of the communication from us. There is no additional fee for initial training, however if we go back to the in-person training, you must pay for travel expenses and lodging. The following is a general description of the initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on-the-job Training	Location
Quickstart (set up)	1	0	Online
Sales Management (Sales)	1	0	Online
Contact Manager (Sales)	2	0	Online
Cold Calling (Sales)	2	0	Online
Marketing Programs/Materials (Sales)	1	0	Online
Scheduling (Production)	1	0	Online
Graphics (Production)	2	0	Online
Mailing List (Production)	1	0	Online
Deck Closing (Sales)	1	0	Online
Selling (Sales)	2	0	Online
Accounting (Administration)	1	0	Online
Quickbooks (Administration)	2	0	Online
Website/Email Marketing/QSR (Sales)	2	0	Online
Workplan (Administration)	2	0	Online
Process Review (Administration)	2	0	Online
Leads and Resources (Sales)	0	2	Online
Office Mgmt (Administration)	0	2	Online
Actual Sales (Sales)	0	8	Online
Sales Plan and Review (Sales)	0	4	Online

The following members of our staff will provide training, although we may substitute other qualified members of our staff if the need arises. Their qualifications are as follows:

Carol Quinn - Carol is a QuickBooks certified training professional who is an independent representative for our training and business set up practices.

Nives Stanetti - Nives has more than 19 years of experience in franchise development and corporate support; developing and implementing marketing and sales strategies at the corporate and franchise level, creative and advertising production, media buying, digital outreach, internal and external communications and public relations.

Anna Bradley – Anna is working with Franchise Owners on CRM System implementation and coaching.

We periodically may require that previously trained franchisees attend and participate in refresher training programs or seminars. Attendance at such training programs will be at your sole expense; however, attendance will not be required at more than 2 such programs or exceed 2 days in any calendar year.

ITEM 12. TERRITORY

When you sign the Franchise Agreement, and in consideration of the royalties you will pay to us throughout the term of the Franchise Agreement, we will grant you an area known as a Exclusive Territory within which we will neither, except as described below, operate nor grant rights to others to operate a substantially similar business specializing in direct mail advertising services. Your Exclusive Territory will include a population of approximately 100,000 homes of an appropriate market value and will be defined by zip codes and described in Exhibit A to the Franchise Agreement. In determining population, we use the most recent available data as published by the U.S. Bureau of Census. (Section 3.B)

We reserve the right, in our sole discretion, to: (a) establish and operate, and license others to establish and operate, businesses under the System and Marks at any location outside of the Exclusive Territory as we deem appropriate; (b) establish and operate, and license others to establish and operate, businesses under other systems using other proprietary marks both within and outside the Exclusive Territory; provided, however, that such other businesses will not be a loose card deck format similar to the Franchised Business if located within the Exclusive Territory; (c) to sell the products and services authorized for the Franchised Business, including Proprietary Products & Services, under the Marks or other trademarks, service marks and commercial symbols through alternative channels of distribution, such as retail outlets and Internet sales, on such terms and conditions as we deem appropriate; and (d) to engage in any activities not expressly forbidden by the Franchise Agreement. If we solicit or accept any orders inside your territory, we are not obligated to compensate you (Section 3.C)

You do not receive the right to acquire additional or contiguous territories automatically. You may, however, purchase additional territories or franchises with our approval.

You are required to generate a minimum number of mailings within your franchised territory each year. If you fail to do at least four mailings in each franchise zone in your Territory each year, you have to pay us \$2,500 for each zone and mailing missed. Beginning with your fourth year, you must generate at least five 50,000 circulation cards pack in each zone. If you fail to do the required mailings and fail to pay the fee for non-compliance, or if you fail to pay royalties when due, we can terminate your Franchise Agreement. (Section 14.B)

You are not permitted to direct mail advertise outside of your Exclusive Territory. You may solicit for advertisers outside of your Exclusive Territory so long as the card pack advertisements they buy are direct mailed to recipients within your Exclusive Territory. All advertising solicitations to businesses having operations or sites in multiple franchise territories are reserved to us for coordination. We will make reasonable efforts to ensure that a fair commission is paid to you for these coordinated advertising. That is the only restriction on your ability to solicit advertising. You maintain rights to your area even though the population increases. You may not use other channels of distribution, such as the internet, catalog sales, telemarketing or other direct marketing, to make sales outside your Territory, without our permission.

ITEM 13. TRADEMARKS

Under the Franchise Agreement, and in consideration of the royalties that you will pay to us throughout the term of the Franchise Agreement, we grant you the right to operate the Franchised Business under the trademark, CITY PUBLICATIONS. You may also use any other current or future Mark to operate your Franchised Business that we designate in writing including the logo on the front of this Disclosure Document. By Mark, we mean trade names, trademarks, service marks and logos used to identify your business. We registered our Service Mark City Publications”, with the logo, on the Principal Register of the United States Patent Office ("PTO"):

Mark	Registration Number	Registration Date
CITY PUBLICATIONS	2,924,821	February 8, 2005

All required affidavits and renewals have been filed. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

There are currently no effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of any state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

There are no infringing or prior superior uses actually known to us that could materially affect the use of the Marks in any state in which Franchised Businesses are to be located.

We are obligated to protect your right to use our Marks and will protect you against claims of infringement from third parties, based on your proper use of our marks. You are obligated to notify us of any trademark uses by third parties similar to ours and we will take the action on those that we deem appropriate. In all of these cases, we control any administrative proceeding or litigation involving the trademarks and you are required to participate, at our direction, in any administrative action or litigation and we will indemnify you from any claims resulting from your proper use of our Marks. We have the right to modify our Marks and you must comply with any changes that we require.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We own certain copyrights in the Manual(s), marketing materials and other copyrightable items, which are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights but need not do so to protect them. You may use these items only as we specify while operating your Franchised Business and must stop using them if we direct you to do so.

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

The Franchised Business shall at all times be under the direct supervision of either you or a Designated Manager who has completed our training program. You must at all times faithfully and diligently

perform your obligations under the Franchise Agreement and you must not engage in any business or other activities that will conflict with your obligations under the Franchise Agreement. We do not require your managerial employees to have an ownership interest in a franchisee which is a business entity, however, during your first 24 months of operation your majority owners must personally participate in the direct operation of the Franchised Business. (Section 14.E)

As described in ITEM 14, your owners, their spouses and your managers will be required to sign confidentiality and nondisclosure agreements. (Section 8.D)

If you are a corporation, partnership, limited liability company or other business entity, your owners must not only personally guarantee your obligations under the Franchise Agreement but also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. This "Guaranty and Assumption of Obligations" is attached to the Franchise Agreement as Exhibit C. Spouses are not required to sign a guaranty.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only provide authorized services and products that are within the scope of a business providing direct mail advertising services. You must refrain from using or permitting the use of the Franchised Business for any other purpose or activity at any time without first obtaining our written consent; and must operate the Franchised Business in strict conformity with the methods, standards and specifications in the Manual and as we may require otherwise in writing. The System may be supplemented, improved and otherwise modified by us at anytime. You must comply with all of our reasonable requirements in that regard. (Sections 13 and 14)

You are not permitted to direct mail advertise outside of your Exclusive Territory. You may solicit for advertisers outside of your Exclusive Territory so long as the Card Pack advertisements they buy are direct mailed to recipients within your Exclusive Territory. All advertising solicitations to businesses having operations or sites in multiple franchise territories are reserved to us. See ITEM 12.

You must operate the Franchised Business in strict conformity with all applicable federal, state, and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and are amendable and may be implemented or interpreted in different manners over time. It is solely your responsibility to apprise yourself of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and to adhere to them and to the then-current implementation or interpretation of them.

You must make reasonable expenditures to modify the Marks, and update or replace copyrighted materials, computer hardware and software and like items at the Franchised Business as necessary to maintain uniformity with our current standards and specifications during the term of the franchise. (Section 13.B)

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP

Provision		Section In franchise or other agreement	Summary
a.	Length of the franchise term	Section 5.A	5 years.
b.	Renewal or extension of the term	Section 5.B	Renewable for 4 additional successive terms of 5 years each for a total of 25 years.
c.	Requirements for you to renew or extend	Section 5.B.1-5.B.10	Substantially comply with the provisions of the Franchise Agreement; have access to and the right to retain possession of a suitable location for the Franchised Business; make capital expenditures as necessary to maintain uniformity with our required system modifications; satisfy all monetary obligations to us or any of our Affiliates; not be in default at the time of renewal with the Franchise Agreement or any other agreement between you and us; provide notice of intent to renew; pay a renewal fee of \$1,000; sign a current Franchise Agreement; meet current qualifications and training requirements; and execute a general release. The new Agreement that you sign may have materially different terms and conditions than your original contract, but the boundaries of your Territory will remain the same. The royalties and other fees on renewal will not be greater than the royalties and fees that we then impose on similarly-situated renewing franchisees.
d.	Termination by you	Section 18.A	If you are in compliance, and we materially breach the Franchise Agreement and fail to cure or fail to begin to cure within 30 days of receiving your written notice. (Subject to state law)
e.	Termination by us without cause	None	
f.	Termination by us with cause	Section 18.B	We may terminate the Franchise Agreement only if you default.
g.	"Cause" defined-defaults which can be cured	Section 18.B.2	If you fail to make payments due us, you generally have 5 days to cure. If you fail to generate the Annual Minimum Fee during any full calendar year, or you fail to comply with mandatory specifications in the Franchise

Provision		Section In franchise or other agreement	Summary
			Agreement or Manual, you generally have 30 days to cure except for defaults included in (h) below.
h.	"Cause" defined- non-curable defaults	Section 18.B.1.	Failure to establish and equip the Franchised Business; failure to satisfactorily complete training; making a material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony or other crime or offense that is likely to adversely affect the reputation of either party or the Franchised Business; any unauthorized use of the Marks or any trade secret or the Confidential Information; abandonment of the Franchised Business for 5 consecutive days; surrenders or transfers control of Franchised Business in an unauthorized manner; you are adjudicated bankrupt, insolvent, make a general assignment for the benefit of creditors, a judgment against you remains unsatisfied, your property is subject to execution or foreclosure, or if a receiver of your property is appointed ; misuse of the marks; failure to submit reports, records or payments on 2 or more separate occasions in any 12 month period; violation any health, safety or other laws or conducts the Franchised Business in a manner creating a health or safety hazard.
i.	Your obligations on termination/nonrenewal	Section 19	Stop operations of the Franchised Business; stop using the System, Marks and any Confidential Information or proprietary material; cancel or if we request, assign any assumed names containing the Marks to us; assign your telephone and facsimile numbers; if we demand, assign or sublease the remainder of the lease for the Franchised Business to us; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Manual, all copyrighted or other proprietary materials and Confidential Information; turn over all materials necessary for us to complete and deliver any unfinished order, turn over any prepayments for

Provision		Section In franchise or other agreement	Summary
			unfinished orders, and comply with the covenants not to compete and any other surviving provision.
j.	Assignment of contract by us	Section 20.A	There are no restrictions on our right to assign except that the assignee must be financially responsible and economically capable of performing the obligations contained in the Franchise Agreement.
k.	"Transfer" by you-definition	Section 20.B	Includes transfer of Franchise Agreement, ownership of franchisee entity or sale of assets.
l.	Our approval of transfer by you	Section 20.B	No transfer without our prior written consent.
m.	Conditions for our approval of transfer	Sections 20.B.1-20.B.11	All obligations owed to us must be paid; execution of a general release by you and the transferee; the transferee must meet our qualifications; sign the current Franchise Agreement; provide us with all contracts and agreements relating to the transfer; pay a transfer fee of \$25,000; transferee must obtain all required consents and approvals; transferee must satisfactorily complete the training program; and you and your owners execute a new non-competition agreement. In addition, the buyer must agree to devote full time efforts to the business of at least 40 hours per week and have no other business activities
n.	Our right of first refusal to acquire your franchised business	Section 21	We can match any offer for the Franchised Business.
o.	Our option to purchase your franchised business	Section 19.C	We are not obligated to do so, but, if the franchise is terminated or expires, we may purchase the assets of the Franchised Business containing the Marks, at the lesser of cost or fair market value, without accounting for goodwill.
p.	Your death or disability	Section 20.F	Your heirs, beneficiaries, devisees or legal representative can apply to us to continue operation of the Franchised Business, or sell or otherwise transfer your interest in the Franchised Business to a suitable third party

Provision		Section In franchise or other agreement	Summary
			within 6 months of death or incapacity. If they fail to do so within 6 months, the Franchise Agreement will terminate and we will have the option to buy assets.
q.	Non-competition covenants during the term of the franchise	Section 17.A	You covenant that, except as otherwise approved in writing by us, neither you nor any partner(s), officer(s), director(s), member(s), executives, professional staff or sales staff or their spouses shall, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other entity: own an interest in, manage, operate, be employed, in a sales or management capacity, by, or act as a consultant to any Competitive Business anywhere; initiate any action to hire or attempt to hire for any other employer any person who is employed by us or employed by any other franchisee of the CITY PUBLICATIONS System, or induce any such person to leave his employment with us or any other franchisee in order to work for any other employer, whether or not the person's employment with the business is pursuant to a written agreement or is at will; or divert business from your customers or the customers of any CITY PUBLICATIONS Business to a Competitive Business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 17.A	You covenant that, except as otherwise approved in writing by us, neither you nor any partner(s), officer(s), director(s), member(s), executives, professional staff or sales staff or their spouses shall, for a period of 2 years after the expiration or termination of the Franchise Agreement, regardless of the cause, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other entity: own an interest in, manage, operate, be employed, in a sales or management capacity, by, or act as a consultant to any Competitive Business anywhere within the Exclusive Territory

Provision		Section In franchise or other agreement	Summary
			granted to you or within a 25-mile radius of any other CITY PUBLICATIONS Business; initiate any action to hire or attempt to hire for any other employer any person who is employed by us or employed by any other franchisee of the CITY PUBLICATIONS System, or induce any such person to leave his employment with us or any other franchisee in order to work for any other employer, whether or not the person's employment with the business is pursuant to a written agreement or is at will; or solicit business from customers of your former business or other franchisee or franchisor-owned CITY PUBLICATIONS Business.
s.	Modification of the agreement	Section 23.F	The Franchise Agreement can be modified only by written agreement between you and us. The Manual is subject to change but will not materially alter your fundamental rights.
t.	Integration/merger clause	Section 23.F	Only the terms of the Franchise Agreement are binding (subject to state law). Any promises outside the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement shall serve to disclaim any representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 24.G	Except for certain claims, all disputes are to be settled by mediation and arbitration.
v.	Choice of forum	Section 24.B	Except where state law prohibits, all arbitrations are to be held in Cobb County, Georgia. Claims involving the Marks or Confidential Information must be litigated in Cobb County, Georgia (subject to applicable state law).
w.	Choice of law	Section 24.A	Subject to state laws set out in Exhibit H to this Franchise Disclosure Document, Georgia law governs, except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.). Subject to applicable state law.

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote the franchise or the CITY PUBLICATIONS System.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Richard Houden, at 1300 Parkwood Circle SE, Suite 100, Atlanta Georgia 30339 (770) 951-0048, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Systemwide Outlet Summary

For years 2022 to 2024

Outlet Type	Year	Outlets at The Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	39	37	-2
	2023	37	36	-1
	2024	36	40	+4
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	39	37	-2
	2023	37	36	-1
	2024	36	40	+4

Table No. 2 TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (Other than the franchisor) FOR YEARS 2022 to 2024		
STATE	YEAR	NUMBER OF TRANSFERS
Tennessee	2022	0
	2032	1
	2024	0
Totals	2021	0
	2023	1
	2024	0

	Table No. 3 STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024							
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- renewals	Outlets Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Alabama	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Arizona	2022	4	0	0	3	0	0	1
	2021	1	0	0	1	0	0	0
	2024	1	0	0	1	0	0	0
California	2022	2	0	0	1	0	0	1
	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
Colorado	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Connecticut	2022	1	0	0	0	0	0	1

	Table No. 3 STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024							
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Outlets Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	1	0	0	0	0	0	1
	2043	1	0	0	0	0	0	1
Florida	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Georgia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Hawaii	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	1	0
Illinois	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Indiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Kentucky	2022	1	0	0	0	0	0	1
	2032	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Massachusetts	2022	3	0	0	0	0	0	3

Table No. 3 STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Outlets Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	3	0	0	3	0	0	0
	2024	0	0	0	0	0	0	0
Michigan	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Minnesota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Missouri	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	1	0	0	1
Nevada	2022	0	0	0	0	0	0	0
	2032	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New York	2022	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
North Carolina	2022	4	0	0	0	0	0	4
	2023	4	1	0	1	0	0	4
	2024	4	1	0	1	0	0	4
Ohio	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Oklahoma	2022	2	0	0	0	0	0	2

	Table No. 3 STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024							
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Outlets Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Oregon	2020	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Pennsylvania	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
South Carolina	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Utah	2021	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2022	0	0	0	0	0	0	0

Table No. 3 STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Outlets Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Washington								
	2023	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Washington DC	2022	1	0	0	1	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
TOTALS	2022	39	2	0	4	0	4	37
	2023	37	5	0	5	0	1	36
	2024	36	8	0	3	0	1	40

Exhibit F contains a list of our Franchisees.

Exhibit F also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed any confidentiality clauses with any current or former franchisees which would in any way restrict their ability to speak with you openly about their experience with City Publications.

There are no trademark specific franchisee organizations associated with the franchise system, nor are there any independent franchisee organizations that have asked to be included in this disclosure document.

Table No. 4 STATUS OF COMPANY-OWNED OUTLETS For Years 2022 to 2024							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets closed	Outlets sold to Franchisees	Outlets at End of Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5 PROJECTED OPENINGS DURING THE UPCOMING YEAR as of DECEMBER 31, 2024			
STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED BUSINESSES
Alabama	0	1	0
Arizona	0	1	0
California	0	2	0
Colorado	0	1	0
Minnesota	0	2	0
Mississippi	0	1	0
North Carolina	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Total	0	11	0

ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements for the years ending on December 31, 2024, December 31, 2023, and December 31, 2022 are attached hereto as Exhibit E. Our fiscal year ends of December 31.

ITEM 22. CONTRACTS

The CITY PUBLICATIONS FRANCHISE GROUP, INC. Franchise Agreement (with exhibits) is attached to this Disclosure Document as Exhibit C.

ITEM 23. RECEIPT

Attached at the end of this Disclosure Document are duplicate copies of a receipt page. Please sign one and sign and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises. We may register in one or more of these states.

ADMINISTRATORS

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013

Hawaii

State of Hawaii
Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021

Michigan

Consumer Protection Division
Antitrust and Franchising Unit
Michigan Department of Attorney General
670 Law Building
Lansing, Michigan 48913

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

New York

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

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505

Rhode Island

Division of Securities
Suite 232
233 Richmond Street
Providence, Rhode Island 02903

South Dakota

Department of Revenue & Regulation
Division of Securities
445 E. Capitol
Pierre, South Dakota 57501

Virginia

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

Washington

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin

Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California

Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Hawaii

Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Maryland

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota

Minnesota Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

New York:

Agent for Service
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505

Rhode Island

Division of Securities
Suite 232
233 Richmond Street
Providence, Rhode Island 02903

South Dakota

Department of Revenue & Regulation
Division of Securities
445 E. Capitol
Pierre, South Dakota 57501

Virginia

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

Washington

Director of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

Wisconsin

Commissioner of Securities
345 W. Washington Street, 4th Floor
Madison, Wisconsin 53703

EXHIBIT C TO THE DISCLOSURE DOCUMENT

CITY PUBLICATIONS FRANCHISE GROUP, INC.

FRANCHISE AGREEMENT

CITY PUBLICATIONS FRANCHISE GROUP, INC.

FRANCHISE AGREEMENT

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EXHIBITS

- A. MAP OF OR DESCRIPTION OF EXCLUSIVE TERRITORY
- B. GUARANTY AND ASSUMPTION OF OBLIGATIONS
- C. MULTI-STATE ADDENDA

CITY PUBLICATIONS FRANCHISE GROUP, INC
FRANCHISE AGREEMENT

This Franchise Agreement, made this ____ day of _____, 2025, by and between CITY PUBLICATIONS FRANCHISE GROUP, INC, a Georgia corporation, having its principal place of business at 1300 Parkwood Circle SE, Suite 100 Atlanta, Georgia 30339 ("Franchisor"), and

_____, whose principal address is

_____, an individual or a partnership/corporation/limited liability company established in the State of

_____ ("Franchisee").*The Franchisee is operating as a sole proprietor/corporation with x shareholders/a partnership with x partners.

The Franchise created by this agreement shall be known as City Publications _____. This Franchise can not be sub divided or combined with any other Franchise without the consent of the Franchisor.

WITNESSETH:

WHEREAS, Franchisor has developed, and is continuing to develop, a System identified by the trademark, "CITY PUBLICATIONS", relating to the establishment and operation of direct mail advertising businesses referred to as "CITY PUBLICATIONS Businesses"; and

WHEREAS, the distinguishing characteristics of the System include uniform standards and procedures for business operations; distinctive processes, procedures and strategies for the sale, design, production and distribution of Card Decks; market and territory analysis; customer development and service techniques; uniform standards and specifications for Card Deck advertising copy, graphics and print quality; ongoing development of mailing data; technical assistance; and ongoing research and development; and

WHEREAS, Franchisor grants franchises to qualified persons and business entities to own and operate a single CITY PUBLICATIONS Business under the System and using the Marks; and

WHEREAS, Franchisee desires to operate a Franchised Business, has applied for a franchise and such application has been approved by Franchisor in reliance upon all of the representations made therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations and service and the necessity of operating its Franchised Business in strict conformity with Franchisor's System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

"Affiliate" means any business entity that controls, is controlled by, or is under common control with Franchisor;

"Agreement" means this agreement entitled "CITY PUBLICATIONS FRANCHISE GROUP, INC. Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Appointment Services" means the lead generation and appointment setting assistance Franchisor provides to Franchisee during training. This service is optional and available through approved vendors after completion of training;

"Advertising Fee" means the fee Franchisor charges Franchisee for National Advertising Services;

"Card Deck" means the packaged advertisements targeting affluent homeowners within Franchisee's Exclusive Territory which are produced using high quality artwork, designs, four (4) color printing and card stock; the primary product of CITY PUBLICATIONS Businesses;

"CITY PUBLICATIONS Franchise" or **"Franchise"** means the right granted to Franchisee by Franchisor pursuant to this Agreement to use the System and the Marks;

"Competitive Business" means any business that sells, or grants franchises or licenses to others to operate a business that

sells, direct mail advertising or similar services to those offered as part of the CITY PUBLICATIONS System or in which Confidential Information could be used to the disadvantage of Franchisor or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to: (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) ownership for investment purposes of less than five percent (5%) of the stock of any publicly-traded corporation in which similar services as those offered as part of the System are sold only as an ancillary product, constituting less than ten percent (10%) of the aggregate gross sales of such business. Without limiting the foregoing, "Competitive Business" includes, among other things, magazines and any other print ads, internet advertising, email advertising, QR codes, and search engine optimization services;

"Confidential Information" means any trade secret and any information or matter that is competitively sensitive and not generally known by the public, whether or not in written or tangible form and regardless of the media (if any) on which stored, relating to the System, including know-how, knowledge of and experience in operating a CITY PUBLICATIONS Business, methods, techniques, formats, specifications, procedures, systems, policies and standards, business operating systems and techniques, record keeping and reporting methods, accounting systems, sales and marketing methods and training techniques, specifications, processes and procedures for the design, production and distribution of Card Packs, specifications for business forms and stationery to be used by franchisees, the Manual, ideas, research and development, lists of franchisees, advertisers, and suppliers, mailing data, mailing lists, market and territory analyses, population demographic studies, suggested pricing and cost information, software which Franchisor or its Affiliates may develop and introduce as part of the System, and any other information or material identified to Franchisee by Franchisor as confidential;

"Designated Manager" means the person designated by a business entity Franchisee who has primary responsibility for managing the day-to-day affairs of the Franchised Business and is the individual responsible for all regular daily communications with Franchisor;

"Effective Date" or **"Execution Date"** means the date upon which Franchisee and Franchisor execute this Agreement at Franchisor's principal place of business and commences the effectiveness and term of this Agreement;

"Electronic Depository Transfer Account" means an account maintained by Franchisee with a national banking institution approved by Franchisor providing Franchisor with access sufficient to allow Franchisor to electronically withdraw any funds due Franchisor;

"Franchised Business" means the direct mail advertising business to be carried on by Franchisee in accordance with the System and Marks pursuant to this Agreement;

"Franchise Fee" is the initial fee paid to Franchisor at the time of signing this Agreement and is further defined in Section 4.A. hereof;

"Franchisee" means the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement, and such term includes all holders of a legal or beneficial interest in Franchisee, and if Franchisee is a business entity, such term shall also include all partners of the entity (if the entity is a partnership); all shareholders, officers and directors of the entity (if the entity is a corporation); and all members and managers of the entity (if the entity is a limited liability company); and any trustee (if the entity is a business trust) as of the Effective Date of this Agreement, or which are appointed as such at any time during the term of this Agreement. By Franchisee's signature hereto, all partners, shareholders, officers, directors, members, managers and trustees as of the Effective Date of this Agreement, or which are appointed as such at any time during the term of this Agreement, acknowledge and accept the duties and obligations imposed upon each of them, individually, by the terms of this Agreement;

"Franchisor" means CITY PUBLICATIONS FRANCHISE GROUP, INC.;

"Graphics Services" means the preparation of, or assistance in the preparation of, the artwork and design component of a Card Deck advertisement or other approved product or franchise advertising;

"Graphic Services Fee" means the fee paid to Franchisor by Franchisee for Graphic Services, which fee may vary according to factors such as design specifications and economic conditions, including supply and demand;

"Gross Sales" means the aggregate of all revenue accrued from the sale of all direct mail advertising and from goods and services and products from all sources in connection with the Franchised Business, whether for check, cash, credit or otherwise, but excluding all qualified refunds made in good faith, and any sales and equivalent taxes which are collected by Franchisee for or on behalf of any governmental taxing authority. Accrued revenue includes the cash value of any payments in kind or barter exchanges. Revenue accrues and shall be accounted for in Gross Sales upon Franchisee's entering into any agreement for the sale of products and services, whether such agreement is written, verbal or constituted by the submittal of materials for processing or any other act of agreement;

"Incapacity" means the inability of Franchisee to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional incapacity, chemical dependency or other limitation;

"Internet" means any one (1) or more local or global interactive communications media that is now available, or that may become available, and includes sites and domain names on the World Wide Web;

"Mailing List" means the exclusive list, compiled from Franchisor's proprietary data and analysis, of recipients who make up a target market for the Card Decks distributed by the Franchised Business;

"Mailing List Rental Fee" means the fee Franchisee pays Franchisor for the use of Franchisor's Mailing List, whether owned or rented; Franchisee incurs a rental fee upon each Card Deck mailing and each additional use of the list;

"Manual" means not only the CITY PUBLICATIONS FRANCHISE GROUP, INC. Operating Manual, but other items as may be provided in the future, including other manuals and all books, computer programs, pamphlets, memoranda and other publications prepared by or on behalf of Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor from time to time setting out the standards, methods, procedures and specifications of the System;

"Marks" mean the trademark "CITY PUBLICATIONS" and other trade names, trademarks, service marks, designs, graphics, logos and other commercial symbols as Franchisor may designate and not thereafter withdraw to be used in connection with the Franchised Business;

"Proprietary Products & Services" has the meaning given to such term in Section 14.C. hereof;

"Exclusive Territory" means the area within which Franchisee is permitted to distribute Card Decks as defined by the map or other description set out in Exhibit A hereof and within which Franchisee is entitled to territorial protections and exclusivity as described in Section 3 of this Agreement;

"Royalty Fee" has the meaning given to such term in Section 4.C. hereof; "System" means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of a Franchised Business; and

"Transfer" means any event pursuant to which the rights or obligations of the affected party under this Agreement are attempted to be sold, assigned, pledged, hypothecated, mortgaged, sublicensed or transferred through bequest, inheritance, trust, divorce or operation of law.

SECTION 2. EFFECTIVENESS OF AGREEMENT

The term and effectiveness of this Agreement shall commence upon execution of this Agreement by Franchisor and Franchisee at Franchisor's principal place of business in Atlanta, Georgia. Franchisee shall be solely responsible for any travel expenses it incurs in order to comply with this Section. Provisions for the payment of certain other costs incurred by Franchisee in connection with Franchisee's compliance with the requirement to execute this Agreement in Atlanta, Georgia, including costs for meals and accommodations in Atlanta, Georgia, are set forth Section 4.A.7. If purchase by an entity, Section 1, then the requirements for a controlled entity transfer (Section 20.C.) apply at signing.

SECTION 3. SCOPE OF LICENSE

A. Grant

In consideration of the royalties paid to Franchisor by Franchisee throughout the term hereof, Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, the right, license and privilege to operate one (1) CITY PUBLICATIONS Business under the System and Marks. Subject to zoning and local ordinances, the Franchised Business may be operated or administered from any location. Franchisee is not required to obtain Franchisor's approval of any site, or to obtain a store front or commercial space, for the operation of the Franchised Business. If Franchisee establishes a commercial business location, any lease for the location must contain a provision entitling Franchisor, or its nominee, to assume such lease upon Franchisee's default of said lease.

B. Exclusive Territory

So long as this Agreement is in force and effect and Franchisee is not in default under any of the terms hereof, Franchisor will neither establish, nor license another to establish or operate, a CITY PUBLICATIONS Business within the geographic area identified in Exhibit A to this Agreement (the "Exclusive Territory"). The Exclusive Territory granted to Franchisee shall consist of approximately one hundred thousand (100,000) homes of an appropriate market value and shall be defined by zip codes. Demographics will be based upon the most recent available U.S. Census data at the time the Exclusive Territory is designated. Franchisee is required to confine its distribution of Card Packs to Franchisee's Exclusive Territory.

Franchisee may solicit for Card Pack advertisements outside of the Exclusive Territory so long as such advertisements are to be directed to consumers residing or situated within the Exclusive Territory. All activity to solicit advertising from individual business owners or other business entities having operations or sites in multiple franchise territories shall be reserved for Franchisor.

C. Franchisor's Rights

Except as otherwise provided, Franchisor retains all of its rights and discretion with respect to the Marks and the System, including the right:

1. To establish and operate, and license others to establish and operate, businesses under the System and Marks at any location outside of the Exclusive Territory as Franchisor deems appropriate;
2. To establish and operate, and license others to establish and operate, businesses under other systems using other proprietary marks both within and outside the Exclusive Territory as Franchisor deems appropriate; provided, however, that such other business will not be a loose card deck business similar to the Franchised Business if located within the Exclusive Territory. Without limiting the foregoing, it is acknowledged and agreed that the franchised business will market loose packaged card packs, and that affiliates of the Franchisor are developing and expect to market coupon advertising in booklet format or something other than the loose card deck format licensed by this Franchise Agreement. These concepts will use other proprietary marks, but may be licensed within the Exclusive Territory of Franchisee;
3. To sell the products or services authorized for the Franchised Business, including Proprietary Products & Services under the Marks or other trademarks, service marks and commercial symbols through alternative channels of distribution, such as retail outlets and Internet sales, pursuant to such terms and conditions as Franchisor deems appropriate; and
4. To engage in any activities not expressly forbidden by this Agreement.

SECTION 4. FEES

Franchisee agrees to pay Franchisor the following fees and amounts at the times specified herein:

A. Franchise Fee

Franchisee shall pay a Franchise Fee to Franchisor of _____ Dollars (\$_____). The fee is fully due and payable when you sign this Franchise Agreement. See Exhibit C for any applicable state law affecting the due date of the Franchise Fee. The Franchise Fee shall be deemed fully earned upon payment and is non-refundable. Said Franchise Fee includes payment for:

1. Access to Franchisor's proprietary materials and process including, but not limited to, an initial supply of sales material;
2. Use of a unique domain for design and creation of a designated website for the Franchised Business, and a link between such website and the CITY PUBLICATIONS website. This domain is also for all email communication related to the franchise;
3. Exclusive rights to distribute Card Packs and other approved products within the Exclusive Territory as described in Section 3.B;
4. The CITY PUBLICATIONS "Quick Start Program," which program consists of information, activities and materials designed to assist Franchisee in commencing operation of the Franchised Business. The Quick Start Program is provided to Franchisee upon execution of this Agreement and Franchisee's payment of the Franchise Fee;
5. An initial training program and training materials to be provided to Franchisee pursuant to Section 10.A;
6. On-site sales training and assistance as further described in Section 10.D;
7. Franchisor's general sales and marketing expenses, legal, accounting and other professional fees.

B. Royalty Fee and Advertising Fee

Franchisee shall pay without offset, credit, or deduction of any nature to Franchisor, so long as this Agreement shall be in effect, a Royalty Fee equal to six percent (6%) of Gross Sales. For any revenue or non-revenue sale, the minimum gross sales reported will be \$2500.00 and the 6% royalty paid out will be from that amount. The royalty is due and payable in two installments each quarter. Each of Franchisee's deck sales will be scheduled by the parties hereto and the first royalty installment is due three weeks before the scheduled closing date for that deck, based on a minimum of 12 cards in the deck. The second installment is due immediately after the mailing of the deck, and serves as a reconciliation payment to cover any additional amounts due, including royalties for cards printed in excess of the minimum of 12. Franchisee may also participate in Franchisor's program whereby Franchisee can mail an individual advertising piece or do digital advertising, and the royalty for these programs is 3% of revenue.

Franchisor has established and maintains relationships with preferred vendors to handle all email marketing. This includes opt in emails from franchisee sites, all appended emails, and all emails acquired from vendors for deployment. Franchisor will execute all deployment of said emails and Franchisee will pay Franchisor or its designee for all the emails, at Franchisor's then standard rates and terms and conditions. Revenues received by Franchisee as a result of the email program are subject to the royalty obligation described in this Section 4B. Franchisee may not enter into a relationship with third party vendor for deployment without the written permission of franchisor. Franchisee must comply with the email marketing requirements set out in this paragraph. It is further agreed that all email addresses used by Franchisee as part of this program belong to Franchisor and may not be used by Franchisee for any other purpose, without the express prior written consent of Franchisor, and Franchisee's right to use the email addresses will end upon the expiration or termination of this Agreement.

Payment of the Royalty Fee includes Franchisor's:

1. Expertise in the methods and procedures for the operation of CITY PUBLICATION'S Businesses;
2. Sales support for difficult sales or administrative issues, and ongoing advice regarding sales methods, time management, lead generation, presentations and closing;
3. Operational and administrative support for scheduling and coordinating production and services including, Graphic/Marketing Services, Card Deck production and distribution, and Appointment Services.
4. Continuous maintenance and updating of the data used in compiling the Mailing List. At Franchisee's option, Franchisor shall update the Mailing List with current data; provided that such data is available in an appropriate format to update such list. Franchisor does not guarantee the exact demographics of a particular Mailing List. Franchisor shall use its best efforts to ensure Franchisee's Mailing List includes the desired demographic market;
5. Access to reduced printing costs due to volume purchases
6. Access to website for Internet advertising.

Payment of the Advertising Fee includes Franchisor's:

1. National efforts to expand recognition of the franchise trademarks and products.
2. National expansion of the franchise system.

C. Mailing List Rental Fee

Franchisee must utilize Franchisor's Mailing List for the distribution of Card Decks. For each use of Franchisor's Mailing List, Franchisee shall pay to Franchisor a stated fee as designated in the Manual. Payment shall be made at the time and in the manner as stated in the Manual. Franchisee must comply with Franchisor's terms, restrictions, and policies regarding the usage of the Mailing List as stated in the Manual. Franchisee-requested enhancements will be charged separately and in addition to the Mailing List Rental Fee.

D. Technology and Training Fee

Franchisor will provide ongoing assistance during the first full year of operations of the franchised business with email deployments for both lead generation, lead building and data mining, for which Franchisee shall pay to Franchisor the sum of \$500 each month during the first year.

E. Graphics Services Fee

Franchisee must purchase Graphics Services exclusively from Franchisor for all design and creations both digital and print

media, at such fees and on the terms as are stated in the Manual. Such fees shall vary according to factors including, but not limited to, design specifications. Concept Card hourly rate may apply.

F. Renewal Fee

A renewal fee of One Thousand Dollars (\$1,000.00) will be assessed to renew at the end of each five (5) year term.

G. Taxes

Franchisee shall pay to Franchisor the amount of all sales taxes, use taxes and similar taxes imposed upon or required to be collected on account of the fees payable by Franchisee under this Agreement and for services or goods furnished to Franchisee by Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located.

Franchisee is responsible to pay the print tax where applicable.

H. Late Payments

All Royalty, Appointment Services, Graphics, Printing Brokerage, and Mailing List Rental Fee payments, and postage expenses, payments due for purchases by Franchisee from Franchisor or any Affiliate and other payments due Franchisor, that are not received by Franchisor within five (5) days after the due date, shall bear interest at the highest applicable rate permitted by law not to exceed one and one-half percent (1.5%) per month and each late payment shall also be assessed a late fee of One Hundred Dollars (\$100.00). Franchisee acknowledges that this Section 4.J. shall not constitute an agreement by Franchisor or any Affiliate to accept any payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance the operation of the Franchised Business. Further, Franchisee acknowledges that its failure to pay all amounts when due shall also constitute grounds for termination as provided in Section 4.K. of this Agreement.

I. Electronic Transfer

Franchisor may require all payments, amounts due from purchases by Franchisee from Franchisor, and other amounts which Franchisee owes to Franchisor be paid through an Electronic Depository Funds Transfer Account established at a national banking institution. When, and if, required, Franchisee shall establish the account providing for electronic funds transfer as approved by Franchisor and Franchisor shall have access to such account for the purpose of receiving all payments, amounts due for purchases by Franchisee and any other amounts which Franchisee owes to Franchisor. Prior to the royalty due date, Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor for the next royalty payment. Franchisee agrees to execute any documents as Franchisor's or Franchisee's bank requires establishing and implementing the Electronic Depository Transfer Account. Once established, Franchisee agrees not to close the Electronic Depository Funds Transfer Account without Franchisor's prior consent.

J. Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for payments, purchases from Franchisor or any Affiliate, interest or any other indebtedness.

K Miscellaneous Fees

Except as this Agreement otherwise provides above, Franchisee is solely responsible for its own expenses incurred to establish and operate the Franchised Business including, but not limited to, incorporation expenses, insurance costs and equipment expenses. As provided in Section 9 hereof, if Franchisee misplaces the Manual, Franchisor shall charge Franchisee a replacement fee at the current list price to replace such Manual. Pursuant to Section 10.A of this Agreement, Franchisee shall be solely responsible for all travel costs, room and board expenses and employees' salaries incurred by Franchisee in attending initial training.

SECTION 5. TERM AND RENEWAL

A. Initial Term

This Agreement shall be effective and binding for an initial term of five (5) years from the Execution Date, unless sooner terminated under Section 18.

B. Renewal Term

Franchisee shall have the right to obtain a successor franchise at the expiration of the initial term of the Franchise for four (4) additional successive terms of five (5) years each for a total of twenty-five (25) years, provided that all of the following conditions have been fulfilled and remain true as of the last day of the initial term and each renewal term of this Agreement:

1. Franchisee has, during the entire term of this Agreement, substantially complied with all its provisions;
2. Franchisee has access to and the right to remain in possession of a suitable location, which is in compliance with Franchisor's then-current specifications and standards for the duration of the renewal term;

3. Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor required System modifications such that the Franchised Business reflects Franchisor's then-current standards and specifications;
4. Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor, or any Affiliate of Franchisor, and has timely met these obligations throughout the term of this Agreement;
5. Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;
6. Franchisee has given notice of renewal to Franchisor as provided in Section 5.0. below;
7. Franchisee shall have paid to Franchisor a renewal fee of One Thousand Dollars (\$1,000.00);
8. Within fifteen (15) days before the end of the initial term, Franchisee has executed Franchisor's then-current form of Franchise Agreement, or has executed renewal documents at Franchisor's election (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise), which Franchise Agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, different Appointment Services, Graphics Services and Mailing List Rental Fees, different percentage Royalty and Printing Brokerage Fees, and different local advertising requirements; provided, however, Franchisee shall not be required to pay the then-current initial Franchise Fee or its equivalent;
9. Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and any training requirements; and
10. Franchisee has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders and employees except to the extent prohibited by the laws of the state where the Franchised Business is located.

C. Notice

If Franchisee desires to obtain a successor franchise at the expiration of this Agreement, Franchisee shall give Franchisor written notice of its desire to renew at least six (6) months, but not more than twelve (12) months, prior to the expiration of the initial term of this Agreement. Within thirty (30) days after its receipt of such timely notice, Franchisor shall furnish Franchisee with written notice of Franchisee's right to obtain a successor franchise. If, during the term of this Agreement, Franchisee has failed to substantially comply with this Agreement, Franchisor may refuse to grant Franchisee a successor franchise. If Franchisor determines that Franchisee is not eligible to obtain a successor franchise, but that the nature of the noncompliance may be cured so that Franchisor is willing to consider granting Franchisee a successor franchise, Franchisor will notify Franchisee accordingly. Franchisee will be eligible for a successor franchise if Franchisee has cured the noncompliance within thirty (30) days of Franchisor's notice of noncompliance to Franchisee.

SECTION 6. OPENING

A. Conditions for Opening

Franchisee must not open the Franchised Business and commence operations until:

1. Franchisee shall have obtained a certificate for completion of training, all applicable business permits and licenses, and approval from Franchisor to commence operations; and
2. Franchisor has been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as Franchisor may request.
3. Franchisee has completed the setup and established operational capability for all the equipment and communication transmission requirements presented in the initial training.

B. Required Opening Schedule

1. Franchisee must comply with these conditions and be prepared to open and continuously operate the Franchised Business within six (6) months after signing this Agreement and only after having satisfactorily completed the initial training program as specified in Section 10.A.

2. If Franchisee is unable to commence operation of the Franchised Business due to circumstances beyond Franchisee's reasonable control, then, Franchisee may be entitled to such additional time as may be reasonably required and as to which Franchisor may consent.

SECTION 7. MARKS

A. Ownership

Franchisee acknowledges that its right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor at any time, and from time to time, during the term of the Franchise. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee agrees that its every use of the Marks and any goodwill created shall inure to the benefit of Franchisor and that Franchisee shall not at any time acquire rights in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, right, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional trademarks, service marks and commercial symbols authorized for use by, and licensed to, Franchisee by Franchisor after the date of this Agreement.

B. Limitations on Franchisee's Use of Marks

Franchisee must use the Marks as the sole trade identification of the Franchised Business. Franchisee shall not use any Mark or portion of any Mark as part of any corporate or trade name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form, without the prior written consent of Franchisor. Franchisee shall not use any Mark in connection with the sale of any unauthorized services or products or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law. Franchisee agrees it will not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee.

C. Notification of Infringements & Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee agrees that Franchisee will not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding, or to otherwise protect and maintain Franchisor's interest in the Marks. Franchisee may, at its own cost, consult with independent counsel with regard to this paragraph.

D. Indemnification for Use of Marks

Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided that Franchisee has timely notified Franchisor of such proceeding and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark. This indemnification shall not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This Section 7 is not applicable to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks are disputed or challenged by Franchisor. This Section 7(D) is not applicable to any separate legal fees or costs incurred by Franchisee in seeking independent counsel, separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks. Franchisee also has no right of indemnification in the event it determines to use separate counsel from Franchisor in defense of the type of litigation described herein. The Franchisee will receive a logo and formats for use in the Franchise. All material using the logo or Exclusive marks and are used to market or promote the Franchise or its products must be produced in accordance with the operating manual.

E. Right of Inspection

In order to preserve the validity and integrity of the Marks and copyrighted materials licensed herein and to ensure that Franchisee is properly employing same in the operation of the Franchised Business, Franchisor, its designees and its agents shall have the right of entry and inspection of Franchisee's Approved Location at all reasonable times and, additionally, shall have the right to observe the manner in which Franchisee is rendering its services and conducting its activities and

operations and to inspect inventory, equipment, accessories, products, supplies, reports, forms and documents and related data to make certain that the Franchised Business is being operated in accordance with the quality control provisions and performance standards established by Franchisor.

F. Discontinuance of Use of Marks

If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute trademark or service mark.

G. Franchisor's Sole Right to Domain Name

Franchisee shall not establish an Internet site using a domain name or uniform resource locator containing any of the Marks or the words "CITY PUBLICATIONS" or any variation thereof without prior written consent from Franchisor. Franchisor retains the sole right to advertise on the Internet and create a website using the "CITY PUBLICATIONS" domain name or using any other domain name Franchisor designates in the Manual or any domain name containing any of the Marks. Franchisee acknowledges that Franchisor is the sole owner of all right, title and interest in and to such domain names as Franchisor shall designate in the Manual.

SECTION 8. CONFIDENTIAL INFORMATION

A. Requirement of Confidentiality

Franchisor shall disclose Confidential Information to Franchisee in the training program, the Manual and in guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Confidential Information, other than the right to utilize it in performing certain duties during the term of this Agreement, and Franchisee acknowledges that the use or duplication of the Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Franchisee solely on the condition that Franchisee (and its shareholders, officers, partners, members or managers, if Franchisee is a corporation, partnership, limited liability company or other business entity) does hereby agree that it: (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) shall not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information. Franchisee agrees to enforce the preceding provisions of this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Confidential Information by any of them.

B. Improvements Developed by Franchisee

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and will be deemed the sole and exclusive property of Franchisor, may be made part of the System and shall be considered works made-for-hire for Franchisor, and no compensation will be due to Franchisee or its owners or employees therefore. To the extent that any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign ownership of that item, and all related rights to that item, to Franchisor and must sign whatever assignment or other documents Franchisor requests to show Franchisor's ownership or to assist Franchisor in obtaining intellectual property rights in the item. Likewise, Franchisor agrees to disclose to Franchisee ideas, concepts, techniques or materials developed by other franchisees which are made a part of the System.

C. Exclusive Relationship

Franchisee specifically acknowledges and agrees that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among CITY PUBLICATIONS franchisees if owners of Franchised Businesses and members of their immediate families or households were permitted to hold interest in or perform services for any Competitive Business. Franchisee, therefore, agrees that during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee nor any member of their immediate families or households will: (a) have any direct or indirect ownership interest in any Competitive Business located or operating anywhere in the world; or (b) perform services as a director, officer, manager, management or sales employee, consultant, representative, agent or otherwise for any Competitive Business or any entity which is granting franchises or licenses to others to operate a Competitive Business located or operating anywhere in the world.

D. Third Party Nondisclosure

Franchisee's shareholders, officers, partners, members and managers may be required to execute nondisclosure and confidentiality agreements. Franchisee may be obligated to ensure that each of the foregoing persons execute a nondisclosure and confidentiality agreement at the time this Agreement is executed or prior to such persons becoming shareholders, officers, partners, members or managers, whichever is earlier. Franchisor shall be a third party beneficiary with the right to enforce covenants contained in such agreements. The spouse of each person identified as Franchisee under the terms of this Agreement will be required to sign a nondisclosure and non-competition agreement.

SECTION 9. MANUAL

A. Operation in Conformity with Manual

While this Agreement is in effect, Franchisor will provide online access to Franchisee of the Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor and information relative to other obligations of Franchisee. Franchisee agrees to conduct the Franchised Business strictly in accordance with all of the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written form or any electronic medium.

B. Revisions of Manual

Franchisor shall have the right to add to and otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor provided, however, that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes.

C. Confidentiality of Manual

The Manual contains proprietary information of Franchisor and shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Manual be available at the Approved Location in a current and up-to-date manner. Franchisee shall not make any disclosure, duplication or other unauthorized use of any portion of the Manual. At all times that the Manual is not in use by authorized personnel, Franchisee shall maintain any printed copies of any portion of the Manual in a locked receptacle at the Approved Location and shall only grant authorized personnel, as defined in the Manual, access to the key or combination of such receptacle. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

D. Ownership of Manual

The Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned upon the expiration or termination of this Agreement.

SECTION 10. TRAINING & OPERATIONS ASSISTANCE

A. Initial Training

Training Provided:

Franchisor shall make an initial training program available to Franchisee (or, if Franchisee is a corporation, limited liability company or partnership, it's Designated Manager) and up to one (1) assistant. Prior to the opening of the Franchised Business, Franchisee (or the Designated Manager if Franchisee is a business entity) must attend and successfully complete, to Franchisor's satisfaction, an initial training program consisting of approximately forty (40) hours in 2-3 days virtual classroom sessions and two to three days on-the-job instruction pertaining to operation of the Franchised Business including, but not limited to, administrative, operational and sales/marketing matters. Franchisor shall conduct the initial training program virtually or at its headquarters or at another designated location. Franchisor shall not charge tuition or similar fees for initial training, but all expenses incurred by Franchisee during the initial training shall be sole responsibility of Franchisee.

Fee Payment & Training Others

If training is conducted at a separate time from the signing trip, then, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its management and other employees.

Training Timeline

Franchisee is responsible to complete training in a timely manner to ensure the opening of the Franchised Business within six (6) months of the Effective Date pursuant to Section. 6.B.1. Franchisee must complete all of the business setup activity as defined in the first session before the second (on-site) session will be scheduled.

B. Initial training for Sales Employees

In addition to any provisions elsewhere in this agreement, Franchisee shall at its expense, arrange for eight (8) hours of virtual training for any new employee authorized to sell Franchised products. Training shall be complete and certified by Franchisor prior to an employee conducting any sales activity.

C. New Designated Manager

If, after beginning operations, Franchisee names a new Designated Manager, the new Designated Manager must complete the initial training program to Franchisor's satisfaction within sixty (60) days. The new Designated Manager may attend the initial training program at the then-current rates for additional training, if any, for providing the new Designated Manager an initial training program in respect of such manager. Franchisee will be responsible for all travel and living expenses.

D. Operations Assistance

Franchisor shall furnish to Franchisee at the Franchised Business, and at Franchisor's expense, for approximately two (2) days, one (1) of Franchisor's representatives for the purpose of providing general assistance and guidance in connection with opening and the day-to-day operations of the Franchised Business. Such assistance shall take place during commencement of operation of the Franchised Business or within four (4) weeks of Franchisee's beginning operations or as otherwise agreed upon between Franchisor and Franchisee. Should Franchisee request additional assistance from Franchisor in order to facilitate the opening of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisor shall provide such additional assistance at Franchisor's then-current standard rates, plus expenses.

E. Ongoing Training Meetings

Franchisor may require Franchisee to attend additional refresher training and/or seminars; virtual or classroom. Attendance at such training programs or seminars shall be at Franchisee's sole expense including, without limitation, travel costs, room and board expenses and employees' salaries. Franchisor shall not require attendance at more than two (2) sessions and attendance shall not exceed two (2) days in any calendar year.

F. Self-Conducted Training

Franchisor may require short on-site self-conducted training by Franchisee to maintain knowledge of the Operations Manual and understanding of procedures.

SECTION 11. MARKETING & PROMOTION

Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the CITY PUBLICATIONS FRANCHISE GROUP, INC Marks and System, Franchisee agrees as follows:

A. Local Advertising

Franchisee shall submit to Franchisor for approval all advertising materials used by Franchisee in Franchisee's territory.

B. Cooperative Advertising

Franchisor may elect at any time to arrange for cooperative advertising. Additionally, Franchisee may, with other franchisees, elect among themselves to establish cooperative advertising for a select area encompassing their mutual Exclusive territories.

C. Internet Advertising

Franchisor has established and maintains an Internet website at the uniform resource locator ("URL") www.citypublication.com that provides information about the CITY PUBLICATIONS System and the services that Franchisor and its franchisees provide. Franchisor shall establish a website for the Franchised Business and a link between such website and the CITY PUBLICATIONS website. Franchisee is solely responsible for the maintenance of the website for the Franchised Business. Franchisor may (but is not required to) include at the CITY PUBLICATIONS website an interior page containing information about the Franchised Business. If Franchisor includes such information on the CITY PUBLICATIONS website, Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information shall be subject to Franchisor's approval prior to posting. Franchisor retains the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide Franchisor content for Franchisor's Internet marketing and shall be required to follow Franchisor's Intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms, meta-tags, and in connection with linking, marketing, co-branding and other arrangements, as well as social media and any digital marketing platform, Franchisor retains the sole right to approve any linking or other use of the CITY PUBLICATIONS website. Franchisee may not establish a presence

on, or market using, the Internet, including social media, in connection with the Franchised Business unless Franchisee has obtained Franchisor's express prior written consent and subject to Franchisor's specifications in connection with the same. With regard to any social media accounts maintained by Franchisee or its principal owners, such accounts shall identify Franchisee and its principal owner(s) as franchisees of Franchisor herein. Upon the termination or expiration of this Franchise Agreement, all social media activities of Franchisee relating to City Publications, whether on Facebook, Twitter, Pinterest, Instagram, LinkedIn, NextDoor or otherwise, shall immediately cease. In the event that Franchisee fails to do so, Franchisee shall be fined \$1000 per month until resolved. In the event Franchisor approves an independent Franchisee website, Franchisor may require that such site shall be accessed only through Franchisor's home page.

D. Internet Communications

Franchisee shall not use any domain name or other identification except the domain name provided by the Franchisor for e-mail and other electronic communications for the franchise. All materials provided by the franchisee to the advertisers and prospects must meet the criteria set by the Franchisor. Any advertising via e-mail must be approved by the Franchisor. It is further agreed that from time to time, Franchisee may receive email addresses of residents within Franchisee's Exclusive Territory. It is agreed that any such list of those email addresses belongs to Franchisor, and Franchisee may not make any use of such list or addresses without the express approval of Franchisor. Franchisor has the right to require that any email blast or similar communication to such persons be done by the Franchisor, on behalf of the Franchisee, and the Franchisor will be compensated by Franchisee in accordance with Franchisor's fee arrangements for such services

SECTION 12. BOOKS & RECORDS

A. Requirement to Maintain

During the term of this Agreement, Franchisee shall maintain and preserve for the time period specified in the Manual, full, complete and accurate books, records and accounts in accordance with the accounting standards prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, invoices, purchase orders, payroll records, sales tax records, state and federal income tax returns, cash receipts, disbursement journals, general ledgers and any other financial records designated by Franchisor or as required by law.

B. Sales Reports

Franchisee shall maintain an accurate record of daily Gross Sales and will deliver to Franchisor a signed and verified statement of weekly Gross Sales of the Franchised Business using such form as Franchisor approves or provides in the Manual which may either be in written or electronic form. The weekly statement of Gross Sales for the preceding week must be provided to Franchisor by the close of business on Tuesday of each week.

C. Monthly & Annual Financial Reports

Franchisee shall, at its own expense, supply to Franchisor on or before the fifteenth (15th) day of the following calendar month, in a form approved by Franchisor, a balance sheet as of the last day of the preceding month and an income statement for the month and fiscal year-to-date. Additionally, Franchisee shall submit to Franchisor within sixty (60) days of the end of each fiscal year during the term of this Agreement, an income statement for the fiscal year, a balance sheet as of the last day of the fiscal year and a copy of the annual business tax returns. Such financial statements shall be prepared in accordance with generally accepted accounting principles and reviewed or audited by a certified public accountant if required by Franchisor. In addition, Franchisee shall submit to Franchisor such other periodic reports, forms and records in the manner and at the time specified in the Manual or otherwise in writing.

D. Right of Franchisor to Perform Inspection

Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records and tax returns of Franchisee. In addition, the same shall have the right to interview customers, employees, vendors and/or suppliers and at any time, to have an independent audit made of Franchisee's books and records at Franchisor's expense. If an inspection should reveal that the Gross Sales or any fees or payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated plus interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law. If an inspection discloses an understatement in any payment report of three percent (3%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all reasonable costs and expenses in connection with the inspection including, without limitation, travel expenses, reasonable accounting and legal fees. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

E. Release of Records

Upon Franchisor's request, Franchisee shall authorize and direct any and all third parties including, but not limited to, accounting professionals to release to Franchisor Franchisee's accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, any and all records evidencing and/or reflecting Gross Sales, profits and/or losses, income, tax liabilities, tax payments, revenues, and expenses, and any and all

correspondence, notes, memoranda, audits, business records, or internal accountings within said third party's possession, custody or control and to continue to release the same to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee agrees to execute any and all documents necessary to facilitate the release of records referenced herein to Franchisor.

SECTION 13. FRANCHISE SYSTEM

A. Uniformity of System

Franchisee shall comply with all requirements set forth in this Agreement, the Manual and other policies as required by Franchisor. Mandatory specifications, standards, operating procedures and rules prescribed from time to time by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Franchisee shall comply with all such mandatory specifications, standards and operating procedures and rules.

B. Modification of the System

Franchisee recognizes that from time to time hereafter, Franchisor may change or modify the System including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, new computer hardware and/or software, equipment or new techniques. Franchisee will accept and use, for the purpose of this Agreement, any such changes in the System as if they were part of this Agreement at the time of execution hereof. Franchisee will make such expenditures as such changes or modifications in the System may reasonably require.

C. Variance

Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary System standards for any franchisee based upon any condition which Franchisor deems to be of importance to the successful operation of such franchisee's business. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation hereunder.

SECTION 14. STANDARDS OF QUALITY & PERFORMANCE

A. Authorized Services & Products

Franchisee acknowledges that the reputation and goodwill of the CITY PUBLICATIONS System is based upon offering high quality services and products and the satisfaction of its customers. Accordingly, Franchisee shall offer for sale and use at the Franchised Business only the types of services and products that Franchisor from time to time approves, and which are not thereafter disapproved, and shall not offer for sale or sell or provide any other category of services or products unless approved in writing by Franchisor. Franchisor shall notify Franchisee of services and products which are authorized in the Manual and subsequent revisions to the Manual.

B. Annual Minimum Performance Requirements

The parties recognize that the success of the Franchise System is dependent upon the best efforts of each franchisee in its Exclusive Territory. Franchisee must generate one 50,000 circulation card pack in the first mailing zone as defined within the territory for the first nine months; each consecutive year thereafter, franchisee must generate at least four 50,000 circulation cards packs in each zone. Beginning of the fourth year, Franchisee must generate at least five 50,000 circulation cards packs in each zone. If franchisee fails to do the required five mailings, Franchisee owes Franchisor \$2,500 per zone for each mailing missed. If Franchisee fails to pay that amount upon receipt of billing for same, Franchisor can terminate this Agreement.

C. Proprietary Products & Services

All computer hardware and software, equipment, forms, marketing materials, stationery, supplies and other materials used in the Franchised Business shall comply with Franchisor's specifications and, if required by Franchisor, shall be purchased only from Approved Suppliers that Franchisor designates or approves. Franchisee will purchase a smart phone for use with the franchised business and will have that phone on at all times. Franchisor and its Affiliates have developed and continue to develop, certain items and services, such as the Mailing List, techniques and processes to update the data used to compile the Mailing List, Graphics Services, Appointment Services, Printing Brokerage Services and Card Packs, all of which are especially suited for use in connection with the Franchised Business ("Proprietary Products & Services"). In order to maintain consistency, quality and uniformity of the System, Franchisor shall make the Proprietary Products & Services available to Franchisee in reasonable quantities in accordance with the procedures for ordering, handling and shipping that Franchisor may establish from time to time and at prices and on credit terms, if any, that Franchisor may determine from time to time, provided that Franchisee is in compliance with this Agreement and all other agreements with Franchisor and any Affiliate. Prices and terms for the purchase of Proprietary Products & Services shall be stated in the Manual and may be subject to change from time to time. Franchisee acknowledges and agrees that the Proprietary Products & Services produced and provided by Franchisor (or on behalf of Franchisor) are distinctive as a result of being produced pursuant to

Franchisor's experience and are inextricably interrelated with the Marks. Franchisee agrees to order and purchase all of its requirements of Proprietary Products & Services exclusively from Franchisor, its Affiliate(s) or a supplier designated by Franchisor. Franchisee agrees to, at all times, to purchase sufficient Proprietary Products & Services as necessary to operate the Franchised Business at full capacity. Franchisor commits to provide the Proprietary Products & Services at competitive prices; however, Franchisee acknowledges that Franchisor and its Affiliates have the right to earn a reasonable profit on the sale of its Proprietary Products & Services.

D. Printing

Franchisee must purchase all printed media materials, including Card Decks, and any specialty programs, solo postcards, booklets, brochures, etc. from a printer designated by Franchisor. Franchisor may negotiate a contract for printing subject to pricing changes at renewal. This agreement and related pricing may be adjusted for changes and circumstances beyond the printer's control. The parties agree that Franchisor has the right to charge more for specialty cards, which are cards that are larger than the standard deck cards, cards that are mailed separately or in smaller mailing, or are otherwise distinguishable from the standard card deck mailed by Franchisee. Franchisor will extend to Franchisee the full benefit of any warranty issued by the printer of the card decks. It is agreed that Franchisee's only claim and remedy with respect to any claimed printing defect shall be to the extent of such warranty, and Franchisor shall have no further liability therefor. It is a Franchisee responsibility to keep up with print tax changes per State and to find out when/where print tax applies.

E. Employees & Subcontractors

Franchisee must hire all employees and/or independent contractors necessary for the operation of the Franchised Business. Franchisee must employ such minimum number of employees as may be prescribed by the Manual or otherwise in writing by Franchisor and shall comply with all applicable federal, state and local laws, rules and regulations with respect to such employees. Franchisee shall maintain a competent, conscientious staff and ensure that all employees of the Franchised Business present at all times a neat, clean and professional appearance and comply with such uniform attire, health, safety and hygiene standards as Franchisor may prescribe in the Manual and from time to time. Franchisee shall be exclusively responsible for the terms of their compensation and for the training of such employees required for the proper operation of the Franchised Business. In addition, Franchisee agrees to the use of criminal background check services as prescribed by Franchisor in the Manual.

F. Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. Franchisee shall require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System. The Franchised Business shall at all times be under the direct supervision of either Franchisee or if Franchisee is a business entity, it's Designated Manager. Franchisee must at all times faithfully, honestly and diligently perform its obligations under this Agreement and must not engage in any business or other activities that will conflict with its obligations under this Agreement. The majority owners of the Franchise shall personally participate in the direct operation of the Franchised Business for the first twenty-four (24) months of operation. Both in connection with the training program and in the operation of your franchised business, Franchisee is required to respond to all communications from the Franchisor within 24 hours of your receipt of the communication from the Franchisor.

G. Licenses & Permits

Franchisee shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations including, without limitation, all government regulations. It is the responsibility of the Franchisee, with his lawyer and CPA, to determine if there are any print taxes or sales taxes due on sales, or use taxes on products and services applicable to the franchised business. Each state has its own rules on these taxes and some states do collect them on businesses like the franchised business. The Franchisor has made no representation to Franchisee about print and sales tax rules in Franchisee's state and it is clearly understood that this is the responsibility of the franchisee.

H. Compliance with Good Business Practices

Franchisee acknowledges that each and every detail of the quality of appearance and demeanor of Franchisee and its employees, equipment and materials utilized by Franchisee is important to Franchisor and to other franchisees. Franchisor shall endeavor to maintain high standards of quality and service by all franchisees. To this end, Franchisee agrees to cooperate with Franchisor by maintaining such high standards in the operation of the Franchised Business. Franchisee agrees that in its print, web based, social media and all other communication with the public, that Franchisee will not express any religious or political view, nor will Franchisee do or say anything that could be taken as an attack on the political or religious views of others. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. All services provided by the Franchised Business shall be performed competently and in a workmanlike manner. The Franchised Business shall in all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, fair dealing, moral and ethical conduct. If, in any situation, Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer.

Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchised Business. In addition, Franchisor shall have the right to terminate this Agreement for repeated violation of this Section 14.G. It is further agreed that any blast emails sent out by Franchisee to the other franchisees of Franchisor must first be approved in writing by Franchisor, and may not deal with businesses unrelated to the franchised business.

I. Notification of Proceedings

Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, including any action against professional services/credentials of any employee associated with Franchisee, which may adversely affect the operation or financial condition of the Franchised Business. Franchisee shall deliver to Franchisor, within five (5) days of Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule, or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

J. Days of Operation

Franchisee shall keep the Franchised Business open for business during normal business hours and on such days as specified in the Manual, or as otherwise required by Franchisee's lease agreement, if any, for the Approved Location.

K. Dress Code

Franchisor expects Franchisee and its employees to present themselves to the public in a professional manner as described in the Manual.

SECTION 15. FRANCHISOR'S ONGOING OPERATIONS ASSISTANCE

A. Advisory Services

Franchisor will be available by telephone, e-mail or facsimile to discuss any problem and to render advice and guidance with respect to planning, opening and operation of the Franchised Business. Franchisor does not charge for these services, however, Franchisor retains the right to discontinue this service should Franchisee, in Franchisor's discretion, be deemed to be utilizing this service too frequently or in an unintended manner. Franchisor will provide scheduling services for printing production; Franchisee will develop and propose the schedule, subject to final approval by Franchisor. Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating CITY PUBLICATIONS Businesses and an analysis of the costs of such services and prices charged for competitive services and products. Franchisee shall have the sole right to determine the prices to be charged by the Franchised Business.

B. Periodic Visits

Franchisor or Franchisor's representative may make periodic visits, at Franchisor's discretion, to the Franchised Business for the purposes of consultation, assistance and guidance of Franchisee in various aspects of the operation and management of the Franchised Business. Franchisor and Franchisor's representatives who visit the Franchised Business may prepare, for the benefit of both Franchisor and Franchisee, written reports with respect to such visits outlining any suggested changes or improvements as a result of any such visit.

C. Advertising & Promotional Materials

Franchisor may periodically provide advertising and promotional materials including ad-slicks, brochures, fliers and other materials to Franchisee for use in the operation of the Franchised Business. It is agreed that any emails received by Franchisor on Franchisor's website or in response to emails sent out by Franchisor, whether to potential customers or otherwise, shall be the exclusive property of Franchisor.

D. Franchisor Product Development

Franchisor may elect to insert up to four additional cards in a particular card deck printed for the Franchisee. Each card will be reimbursed to the Franchisee at the rate of \$600 per card, to cover printing and other costs. This process exists to assist in developing and improving the overall Franchise system. In addition, Franchisor may insert preprinted cards into decks of the Franchisee at no charge to the Franchisor.

Franchisor may from time to time distribute samples or test products in the Franchisee's Exclusive area. In addition, Franchisor reserves the right to print www.citypubcontest.com, enter to win on every cover card of every deck published by Franchisee.

E. Promotions/Discounts

Franchisor may from time to time offer promotional campaigns or products or discounted offerings and it is agreed that Franchisee's right to participate in such offerings and campaigns is contingent upon Franchisee being in full compliance with every term of this Agreement and being current on all payment obligations both to Franchisor and all vendors.

F. Limitations of Liability/Franchisee Property

Franchisor shall not be liable to Franchisee or any other person for any direct, indirect, special, incidental or consequential damages (including, but not limited to, lost time, lost profits, lost sales, or damages resulting from delayed shipment of mailing) arising from transactions between the parties hereto, even if Franchisor is previously advised of such damages. Franchisor's total liability, whether in contract or tort, or otherwise, arising out of transactions with Franchisee shall not exceed the price paid by Franchisee for the specific goods or services giving rise to the claim, exclusive of any postage or other distribution costs. Franchisor shall not be liable to Franchisee for loss or damage to Franchisee's property for any reason while same is in the possession of the Franchisor. Franchisee shall keep a copy of all materials submitted to Franchisor.

SECTION 16. INSURANCE

A. Types & Amounts of Coverage

Franchisee shall procure, at its sole expense and maintain in full force and effect during the term of this Agreement, the following insurance naming Franchisor as additional insured and/or loss payee, in addition to any other insurance that may be required by applicable law, any lender or landlord. In addition, each insurance policy shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns.

2. Comprehensive general public liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised Business, or Franchisee's conduct of business pursuant to this Agreement providing minimum liability coverage for claims, as specified by Franchisor from time to time; currently the minimum is One Million Dollars (\$1,000,000.00).
3. "All Risk" coverage insurance on all contents including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business for full "replacement cost" coverage.
4. Workers' Compensation that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a One Hundred Thousand Dollar (\$100,000.00) minimum limit or, if greater, the statutory minimum limit if required by state law.
5. Automobile Liability Insurance for owned, hired and non-owned vehicles with a combined single limit of at least One Million Dollars (\$1,000,000.00).
6. General property damage insurance, including fire and extended coverage, vandalism and malicious mischief insurance.
7. Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 22.B. of this Agreement.
8. Such trucking, shipping, freight or F.O.B. insurance coverage as is necessary to provide coverage for any loss or damage to direct mail advertisement pieces in transit. Franchisor and its Affiliates are not liable for losses resulting from the damage to or loss of materials or services provided in excess of the replacement costs of the materials or services.
9. Business interruption insurance in amounts and with terms acceptable to Franchisor.

B. Carrier Standards

Such policy or policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide in accordance with standards and specifications set forth in the Manual.

C. Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policy or policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 22.B of this Agreement. Franchisee agrees to provide annually a certificate of insurance showing compliance with the foregoing requirements. Such certificate shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect

proof of payment of premiums.

D. Failure to Maintain Coverage

Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

SECTION 17. RESTRICTIVE COVENANTS

The restrictive covenant contained in this Section is provided for reasons including, but not limited to, the following:

1. To protect the trade secrets of Franchisor;
2. To induce Franchisor to grant a Franchise to Franchisee; and
3. To protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff and managers.

Franchisee shall have its officers, directors, members, partners, executives, and professional staff and managers and the spouses of each of the foregoing sign a like restrictive covenant which shall protect both Franchisor and Franchisee. Said covenants shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein.

A. Restriction During Term of Agreement

Franchisee covenants that, except as otherwise approved in writing by Franchisor, neither Franchisee nor any partner(s), officer(s), director(s), member(s), executives, professional staff or sales staff or the spouses of any of the foregoing shall, during the term hereof, either directly or indirectly, for itself or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other entity:

1. Own an interest in, manage, operate, be employed, in a sales or management capacity, by, or act as a consultant to any Competitive Business anywhere;
1. Initiate any action to hire, or attempt to hire for any other employer, any person who is employed by Franchisor or employed by any other franchisee of the CITY PUBLICATIONS System, or induce any such person to leave his employment with Franchisor or any other franchisee in order to work for any other employer, whether or not the person's employment with the business is pursuant to a written agreement or is at will; or
3. Divert business of customers of the Franchised Business or other Franchisor or franchisee-owned CITY PUBLICATIONS Businesses to any Competitive Business.

B. Restriction After Termination

Franchisee covenants that, except as otherwise approved in writing by Franchisor, neither Franchisee nor any partner(s), officer(s), director(s), member(s), executives, or professional staff or sales staff or their spouses of any of the foregoing shall for a period of two (2) years after the expiration or termination of this Agreement regardless of the cause, either directly or indirectly, for itself or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other entity:

1. Own an interest in, manage, operate, be employed, in a sales or management capacity, by, or act as a consultant to any Competitive Business anywhere within the Exclusive Territory granted to Franchisee, or within a radius of twenty-five (25) miles of any other Franchisor or franchisee-owned CITY PUBLICATIONS Business;
2. Initiate any action to hire, or attempt to hire for any other employer, any person who is employed by Franchisor or employed by any other franchisee of the CITY PUBLICATIONS System, or induce any such person to leave his employment with Franchisor or any other franchisee in order to work for any other employer, whether or not the person's employment with the business is pursuant to a written agreement or is at will; or
3. Solicit business from customers of Franchisee's former CITY PUBLICATIONS business or other Franchisor or franchisee-owned CITY PUBLICATIONS Businesses.

C. Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in Section 17 are essential elements of this Agreement

and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee agrees that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable, and are reasonably required for the protection of Franchisor and the Franchise System.

D. Remedies

As any breach by Franchisee of any of the covenants contained in this Section would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, Franchisee agrees that, in addition to all other remedies provided by law or in equity, Franchisor, in the event of a breach or threatened breach of the covenants herein contained, shall be entitled to seek immediate equitable remedies including, but not limited to, restraining orders, preliminary and permanent injunctions in order to prevent Franchisee, its partners, members, officers, directors or employees from continuing to breach the covenants contained in this Section 17.

E. Severability

The foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 17. is held unreasonable, then this Section 17. is hereby amended to provide for limitations to the maximum extent provided and permitted by law.

SECTION 18. DEFAULT & TERMINATION

A. Termination by Franchisee

If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such breach within thirty (30) days after written notice thereof is delivered to Franchisor, Franchisee may terminate this Agreement unless the breach cannot reasonably be cured within thirty (30) days, in which case Franchisee will have the right to terminate this Agreement if, after receipt of a written notice of default, Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts. To terminate this Agreement under this paragraph, Franchisee must provide a separate written notice of termination, which will be effective no less than thirty (30) days after delivery of such notice to Franchisor.

B. Termination by Franchisor

1. This Agreement shall, at the option of Franchisor, terminate without notice of termination, if Franchisee:
 - a. Fails to establish and equip the Franchised Business as provided in Section 6. of this Agreement;
 - b. Fails to satisfactorily complete the initial training program as provided in Section 10.A. of this Agreement;
 - c. Has made any material misrepresentation or omission in the application for the Franchise;
 - d. Is convicted of, or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business;
 - e. Makes any unauthorized use, disclosure or duplication of any portion of the Manual, or duplicates or discloses or makes any unauthorized use of any trade secret or Confidential Information provided to Franchisee;
 - f. Abandons, fails or refuses to actively operate the Franchised Business for fourteen (14) or more consecutive days, unless the Franchised Business has not been operational for a purpose approved by Franchisor;
 - g. Surrenders or transfers control of the operation of the Franchised Business, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated controlling owner thereof as herein required;
 - h. Is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency or files any action or petition of insolvency; if a receiver (permanent or temporary) of its property or any part thereof is appointed by a court of competent authority; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against the Franchised Business or its property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against Franchisee and

not dismissed within thirty (30) days or is not in the process of being dismissed;

- i. Materially misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to materially impair the goodwill associated with any of the Marks;
 - j. Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit any reports or other information or supporting records when due, to make Royalty Fee payments, or other payments when due to Franchisor and any Affiliate of Franchisor, or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee; or
 - k. Continues to violate any health or safety law, ordinance or regulation or operates the Franchised Business in a manner that presents a health or safety hazard to its customers or the public.
2. This Agreement shall terminate, at Franchisor's sole option, upon the occurrences of any of the following events and Franchisee's failure to cure within the specified time periods if:
- a. Franchisee fails or refuses to make payments of any amounts due Franchisor or any Affiliate of Franchisor for Royalty, Mailing List Rental, Graphics Services, Appointment Services and Printing Brokerage Service Fees postage expenses, purchases from Franchisor or any Affiliate of Franchisor, or any other amounts due to Franchisor or any Affiliate of Franchisor, and does not correct such failure or refusal within five (5) days after written notice of such failure is delivered to Franchisee;
 - b. During any full calendar year after the Execution Date, Franchisee fails to generate the Annual Minimum Royalty Fee required pursuant to Section 14, and does not cure such failure by remitting a cash payment of the difference between the Annual Minimum Royalty Fee for such year and the aggregate of qualifying fees generated during such year to Franchisor within thirty (30) days after written notice of such failure is delivered to Franchisee;
 - c. Franchisee fails to do the required amount of mailings described in Section 14 above and then fails to pay the required cure payment described in Section 14B; or
 - d. Franchisee fails or refuses to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise in writing, and does not correct such failure within thirty (30) days or provide proof acceptable to Franchisor that Franchisee has made all reasonable efforts to correct such failure and shall continue to make all reasonable efforts to cure until a cure is effected; if such failure cannot reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to Franchisee.

C. Reinstatement & Extension

To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like, other than in accordance with applicable law, to the extent such are not in accordance with applicable law, Franchisor may reinstate or extend the term for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

SECTION 19. RIGHTS & DUTIES UPON EXPIRATION OR TERMINATION

A. Events Upon Termination

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall forthwith terminate and:

1. Franchisee shall immediately cease to operate the Franchised Business under this Agreement and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.
2. Franchisee shall immediately and permanently cease to use any Confidential Information, the System, the Marks and any distinctive forms, slogans, signs, symbols, logos or devices associated with the Marks or System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms or data.
3. Franchisee shall take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option,

any assumed name or equivalent registration filed with state, city or county authorities which contains the name "CITY PUBLICATIONS" or any of the Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

4. Franchisee shall relinquish or transfer to Franchisor or its designee, at Franchisor's discretion, the Franchised Business telephone number and notify the telephone service provider and all listing agencies of the termination or expiration of Franchisee's rights to use any telephone number or any telephone directory listings associated with the "CITY PUBLICATIONS" name or any of the Marks and shall authorize transfer of the same to Franchisor or at Franchisor's direction.
5. Franchisor shall have the right to enter any premises leased for the Franchised Business. Additionally, upon demand by Franchisor, Franchisee shall assign (or, if an assignment is prohibited, sublease for the full remaining term and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the premises of the Franchised Business to Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement. Franchisor shall have the right to make rental and other payments directly to the landlord or other party to whom such payment is ultimately due.
6. Franchisee shall promptly pay all sums owing to Franchisor. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees and other expenses incurred by Franchisor as a result of the default.
7. Franchisee shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise herein granted in obtaining injunctive or other relief for the enforcement of any provisions of this Section 19.
8. Franchisee shall immediately turn over to Franchisor the Manual, all Confidential Information, all copyrighted or proprietary materials, all customer lists and other intangible assets related to the Franchised Business, and all other records, files, instructions, brochures, agreements, disclosure statements and any other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property).
9. Franchisee shall comply with the covenants contained in Section 17. of this Agreement.
10. Franchisor shall have the right, at its discretion, to complete and deliver any unfinished orders of the Franchised Business at the time of termination. Franchisee will immediately, upon Franchisor's request, turn over to Franchisor all materials necessary for Franchisor's exercise of its right to complete and deliver said orders in a timely manner. Franchisor will be entitled to any amounts prepaid or receivable for such orders.
11. Upon termination, cancellation or expiration of this Agreement, Franchisee shall cease to use all related websites, social media accounts, digital marketing and other branding assets associated with the Franchise. Franchisee shall give full access and transfer ownership to all related accounts and materials to Franchisor. In the event that Franchisee fails to do so, Franchisee shall pay \$1000 per month until resolved, as liquidated damages for the breach.

B. Unfair Competition

In the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in and to the Marks. Franchisee shall not utilize any designation of origin, or description or representation, which falsely suggests or represents an association or connection with Franchisor. This Section 19.0. is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Section 19.0. of this Agreement. Franchisee shall make such modifications or alterations to the business premises (including, without limitation, the changing of telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business thereon subsequently operated by Franchisee or others, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose including, without limitation, removal of all distinctive physical and structural features identifying the System. In the event Franchisee fails or refuses to comply with the requirements of this Section 19.0., Franchisor shall have the right to enter upon the business premises, without being guilty of trespass or any other tort, for the purpose of making or causing

to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

C. Franchisor's Option to Purchase the Franchise

Franchisor shall have the right (but not the duty) to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase for cash, except as provided in this Section 0.0., any or all assets of the Franchised Business containing the Marks, including leasehold improvements, equipment, supplies and other inventory, advertising materials and any other additional items, at Franchisee's cost or fair market value, without accounting for goodwill, whichever is less. If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, if any, against any payment therefore.

D. Survival of Certain Provisions

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

E. Liquidated Damages

If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee's default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including attorneys' fees and costs.

SECTION 20. TRANSFERABILITY OF INTEREST

A. By Franchisor

This Agreement and all rights hereunder can be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder.

B. By Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee, and Franchisor has agreed to enter into this contract with Franchisee in reliance upon Franchisee's personal skill and financial ability. Accordingly, neither Franchisee nor any successor of Franchisee, either immediate or remote, to any part of Franchisee's interest in this Agreement may sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in the Franchise granted hereby. Any purported assignment or transfer, whether by operation of law or otherwise, or encumbrance of all or any part of Franchisee's rights under this Agreement, or of all or any part of the ownership interests in Franchisee, or of all or any part of the operating control of the Franchised Business, or of fifteen percent (15%) or more of the assets used in the operation of the Franchised Business, shall be null and void and shall constitute a material breach of this Agreement, for which breach Franchisor may then terminate this Agreement without notice or opportunity to cure, unless such assignment, transfer or encumbrance has the prior written consent of Franchisor. If Franchisee desires to sell or transfer any rights or assets described in the preceding sentence to any transferee, Franchisee shall first obtain the written consent of Franchisor to such transaction, which consent will be conditioned upon the satisfaction of the following conditions:

1. All obligations owed to Franchisor and all other outstanding obligations relating to the Franchised Business shall be fully paid and satisfied.
2. Franchisee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchised Business which operates this Franchise. If a general release is prohibited, Franchisee shall give the maximum release allowed by law.

3. The transferee shall have satisfied Franchisor that it meets Franchisor's management, business and financial standards and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require, demonstrating ability to conduct the Franchised Business.
4. The transferee and, at Franchisor's option, all persons owning any interest in the transferee, shall execute the then-current Franchise Agreement for new franchisees which may be substantially different from this Agreement including, without limitation, differences in Royalty Fee payments, territorial protections and other material provisions. The Franchise Agreement then executed shall be for the term specified in such Agreement.
5. The transferee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by the transferring franchisee.
7. Franchisee shall have provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the transferee relating to the sale or transfer of the Franchise. Franchisee shall have paid to Franchisor a transfer fee in the standard amount then being charged by Franchisor. The new franchisee shall be responsible for attending and paying for initial training and for paying all start-up expenses. This transfer fee is waived for a qualified transfer to immediate family members. If the franchisee is an entity, this transfer fee is waived for qualified transfer to any shareholder, member, or partner who has signed a personal guarantee.
8. The transferee shall have obtained all necessary consents and approvals by third parties (such as the landlord of the premises of the Franchised Business), and the transfer shall be made in compliance with all applicable federal, state and local laws, rules and ordinances.
9. The transferee must complete the initial training program as provided in Section 10.A. of this Agreement. Franchisee may not promise or provide Franchise system training as part of the agreement to the transferee.
10. Franchisee shall, and if an entity, have caused all of its equity owners to execute and deliver to Franchisor a non-competition agreement in a form satisfactory to Franchisor, and in substance, the same as the non-competition agreement contained in Section 17.A.
11. All transfers must be for the Franchise as a whole and separate entity. This Franchise can not be subdivided. This Franchise cannot be combined into another separate Franchise agreement for a different territory.
12. The transferee must agree to devote full time and efforts in the franchised business, at least 40 hours per week, and have no other business activities that might detract from that commitment.

C. Transfer by Franchisee to an Entity Controlled by Franchisee

If Franchisee wishes to transfer this Agreement or any interest therein to a corporation, limited liability company or other legal entity ("Controlled Entity") which shall be entirely owned by Franchisee, which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the following requirements:

1. The Controlled Entity shall be newly organized and its activities shall be confined exclusively to the operation of the Franchised Business.
2. Franchisee shall retain total ownership of the outstanding stock or other capital interest in the Controlled Entity and Franchisee shall act as the principal officer or officers and directors thereof.
3. All obligations of Franchisee to Franchisor or any Affiliate shall be fully paid and satisfied prior to Franchisor's consent, provided that Franchisee shall not be required to pay a transfer fee, as required, pursuant to Section 20(B) of this Agreement for any transfer under this Section 20(C).
4. The Controlled Entity shall enter into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other contracting party to any such agreement is required, Franchisee shall have obtained such written consent and provided the same to Franchisor prior to consent by Franchisor.
- 5.

All owners of the stock or other ownership interest of the Controlled Entity shall enter into an agreement with Franchisor, jointly and severally, guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement.

6. Each stock certificate or other ownership interest certificate of the Controlled Entity shall have conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement.
7. Copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.
8. The term of the transferred franchise shall be the unexpired term of this Agreement.
9. Franchisor's consent to a transfer of any interest in this Agreement or of any ownership interest in the Franchised Business shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

D. Franchisor's Disclosure to Transferee

Franchisor may, without liability of any kind or nature whatsoever to Franchisee, make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business, or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to this Franchise by an intended transferee identified by Franchisee.

E. For Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

F. Death or Incapacity of Franchisee

Upon the death or incapacity of any person with an interest in this Agreement as determined by a court of competent jurisdiction, the executor, administrator, or personal representative of such person's estate shall transfer its interest to a third party approved by Franchisor within six (6) months after such death or incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as set forth in Section 20.0. hereof. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 20., the personal representative of the deceased franchisee shall have six (6) months in which to dispose of the deceased's interest in the Franchise, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within such six (6) month period, Franchisor may terminate this Agreement. The above notwithstanding, Franchisee or its authorized representative shall identify to Franchisor for approval a Designated Manager within thirty (30) days of death or incapacity.

SECTION 21. RIGHT OF FIRST REFUSAL

A. Submission of Offer

If Franchisee or its owners propose to sell: (a) fifteen percent (15%) or more of the assets of the Franchised Business; (b) any interest in the capital, profits or losses of the Franchised Business; or (c) any ownership interest in this Agreement or the Franchise, Franchisee shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials to Franchisor. The offer must apply only to the approved sale of the above and may not include any other property or rights of Franchisee or its owners.

B. Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the ownership interests or assets for the price and on the same terms and conditions contained in such offer or proposal to Franchisee. Franchisor may substitute cash for the fair market value of any form of payment proposed in such offer or proposal. Franchisor's credit shall be deemed equal to the credit of any proposed buyer. After providing notice to Franchisee, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representation and warranties given by Franchisee as the seller of assets or ownership interest.

C. Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within thirty (30) days, the offer or proposal may be accepted by Franchisee or its owners, subject to the prior written approval by Franchisor, as provided in Section 20. of the proposed transfer. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor shall again have the right of first refusal herein described. Should a transferee assume the rights and obligations under this Agreement, such transferee shall likewise be subject to Franchisor's right of first refusal under the terms and conditions as set forth herein.

SECTION 22. RELATIONSHIP OF THE PARTIES & INDEMNIFICATION

A. Independent Contractor

Franchisor and Franchisee are independent contractors. This Agreement does not constitute Franchisee as an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever. Franchisee may not represent to third parties that Franchisee is an agent of Franchisor and it is understood between the parties hereto that Franchisee shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt or any other obligation of Franchisee. Franchisee specifically acknowledges that Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. In addition, any third party contractors or vendors retained by Franchisor or Franchisee to perform construction or improvement of the premises of the Franchised Business are independent contractors. During the term of this Agreement and any extension hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place at the business location and on all forms, stationery or other written materials, the content of which Franchisor reserves the right to specify.

B. Indemnification

Franchisee agrees to hold harmless and indemnify Franchisor and its Affiliates and Franchisor's respective members, partners, shareholders, officers, directors, employees and agents and successors or assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses, lost profits, loss, damages, or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation, proceeding or inquiry, or any settlement thereof which arises from or is based upon (a) Franchisee's ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee on the one hand and Franchisor or Franchisor's Affiliates on the other; (d) libel, slander or other form of defamation of Franchisor or the System by Franchisee; (e) acts, errors or omissions incurred in connection with or arising out of the Franchised Business, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information. In addition, Franchisee shall indemnify Franchisor Indemnitees for any and all losses, compensatory damages, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, settlement amounts, judgments, damages to Franchisor's reputation and goodwill, costs of advertising material, media time and space and substituting and replacing the same, all costs of recall, refunds, compensation, all public notices and other such amounts which may arise or result from any of the actions, commissions or items listed in this Section.

C. Right to Retain Counsel

Franchisee agrees to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that may give rise to a claim by a Franchisor Indemnitee pursuant to Section 22. Franchisor shall have the absolute right to retain counsel of its own choosing in connection with any such action, suit, proceeding, claim, demand, inquiry or investigation. In order to protect persons or property or Franchisor's reputation or goodwill of others, Franchisor may, at any time without notice, take such other remedial or corrective actions as it deems expedient with respect to any action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe any of the acts or circumstances listed above have occurred. In the event Franchisor's exercise of its rights under this Section actually results in any of Franchisee's insurers refusing to pay on a third party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or be obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such remedy or mitigate such loss will in no way reduce the amounts recoverable by Franchisor from Franchisee.

SECTION 23. GENERAL CONDITIONS & PROVISIONS

A. Non-Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

B. Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day of the transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the address below:

Notices to Franchisor:

CITY PUBLICATIONS FRANCHISE GROUP, INC
1300 Parkwood Circle SE, Suite 100, Atlanta, Georgia 30339

Attention: Richard Houden, President

Signature: _____

Notices to Franchisee:

(Name of Franchisee)

Address: _____

Attention: _____

Signature: _____

C. Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and legal fees, in connection with such proceeding.

D. Guaranty & Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute the Guaranty and Assumption of Obligations attached hereto as Exhibit B and incorporated herein by reference.

E. Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

F. Entire Agreement

This Agreement, any exhibit attached hereto and the documents referred to herein, shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and shall supersede all prior agreements. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter of this Agreement unless expressly referred to in this Agreement. No other representation has induced Franchisee to execute this Agreement and there are no representations, other than those in the Uniform Franchise Disclosure Document, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

G. Severability

Each paragraph, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any paragraph, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and/or provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid paragraphs, parts, terms and/or provisions shall be deemed not part of this Agreement; provided, however, that if Franchisor determines that said finding of illegality adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement. Franchisee expressly shall be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

H. Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

I. Force Majeure

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay. This clause shall not apply nor result in an extension of the term of this Agreement.

SECTION 24. DISPUTE RESOLUTION

A. Choice of Law

This Agreement and the rights of the parties will not take effect unless and until this Agreement is accepted and signed by Franchisor. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946, this Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Georgia (without reference to its conflict of laws principles), excluding any law regulating the sale of franchises or governing the relationship between a Franchisor and Franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. All matters relating to arbitration are governed by the Federal Arbitration Act. References to any law or regulation refer also to any successor laws or regulations or any published regulations for any statute as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds the function of such agency.

B. Jurisdiction & Venue

Franchisee acknowledges that this Agreement is entered into in Cobb County, Georgia, and that any action, other than an action seeking injunctive relief, sought to be brought by either party, except those claims required to be submitted to arbitration shall be brought in the appropriate state court located in Cobb County, Georgia, or in the United States District Court for the Northern District of Georgia, Atlanta Division, located in Atlanta, Georgia. Franchisee waives all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The exclusive choice of jurisdiction and venue governs except that claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provisions shall restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction or the full faith and credit of any judgment obtained.

C. Cumulative Rights Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages including obtaining restraining orders, preliminary and permanent injunctions.

D. Limitations of Claims

Any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

E. Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agrees that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and/or legal fees as provided in Section 23.C. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise and Royalty Fee payments.

F. Waiver of Jury Trial

Franchisee and Franchisor each irrevocably waive trial by jury in any action, whether at law or equity, brought by either of them.

G. Mediation and Arbitration

Any controversy or claim, other than those arising from falsification of reports, abandonment, those regarding trademark infringement, and non-compete provisions, arising out of or relating to this contract, or the breach thereof, shall be subject to non-binding mediation. The Mediator will be appointed in accordance with the Rules and Regulations of the American Arbitration Association unless the parties agree on a Mediator in writing within ten (10) days after either party gives written notice of Mediation. If either party alleges a dispute or controversy against the other party for any reason, except for those specified above, then that party will have the right to demand non-binding Mediation within the (10) days after the complaining party provides the other party with written notice describing the dispute or controversy. All Mediation hearings will take place exclusively in Cobb County Georgia, and will be held within twenty (20) days after the Mediator has been appointed. The cost of the Mediator will be shared equally by the parties. The parties agree that they will act in good faith to settle any dispute or controversy between them either prior to or during Mediation. All matters, testimony, arguments, evidence, allegations, documents and memorandums will be confidential in all respects and will not be disclosed to any other person or entity by either party.

This Agreement is a written agreement evidencing a transaction involving commerce and is, therefore, subject to the terms and provisions of the Federal Arbitration Act, Title 9 of the United States Code. Except for a controversy or claim relating to the ownership of any of Franchisor's Marks or unauthorized use or disclosure of Franchisor's Confidential Information, all disputes arising out of or relating to this Agreement, or to any other agreements between the parties or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in Cobb County, Georgia, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the District Court for the State of Georgia and located in Cobb County, Georgia. The decision of the arbitrator will be final and binding upon the parties hereto. The costs of the arbitration will be at the discretion of the arbitrator provided, however, that no party is obligated to pay more than its own costs and the cost of the arbitrator. Judgment upon the award rendered by the arbitrator may be entered in any court having in persona and subject matter jurisdiction. The parties hereby submit to the in personam jurisdiction of the federal and state courts in Georgia and to service of process by registered and return receipt requested, or by any other manner provided by law.

Franchisee expressly acknowledges that Franchisee has read the terms of this binding arbitration provision and specifically affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

SECTION 25. ACKNOWLEDGMENTS

A. Receipt of Agreement

Franchisee represents and acknowledges that it has received, read and understood this Agreement and Franchisor's Uniform Franchise Offering Circular; and that Franchisor has accorded Franchisee ample time and opportunity to consult with

advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

B. Receipt of Franchise Disclosure Document

Franchisee acknowledges that Franchisee has received the Franchise Disclosure Document at least ten (10) days prior to the date on which this Agreement was executed.

C. Consultation by Franchisee

Franchisee has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee has either consulted with such advisors or has deliberately declined to do so.

D. True & Accurate Information

Franchisee affirms that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, with Franchisee expressly acknowledging that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

E. Risk

Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, an investment in a CITY PUBLICATIONS Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor does not, in this Agreement or otherwise, make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

F. No Guarantee of Success

Franchisee acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business that it will operate pursuant to this Agreement. Franchisee acknowledges that there have been no representations by Franchisor's directors, employees or agents that are not contained in, or inconsistent with, the statements made in the Uniform Franchise Offering Circular or with the provisions of this Agreement.

G. VeriCast Program

Franchisee acknowledges that the VeriCast Program may not be available in all areas and may not be available to Franchisee. In addition, Franchisee acknowledges that VeriCast may cancel the program at any time.

H. Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

CITY PUBLICATIONS FRANCHISE GROUP, INC

Richard Houden, President

Signature: _____

FRANCHISEE: _____

(type/print name)

Title: _____

Signature: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

MAP OR DESCRIPTION OF EXCLUSIVE TERRITORY

Franchisee's Exclusive territory consists of _____ .

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

By: Richard Houden, President

Signature: _____

FRANCHISEE:

By: _____

Signature: _____

Date:

EXHIBIT B TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of ____, 2024, by
(Franchisee).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by CITY PUBLICATIONS FRANCHISE GROUP, INC ("Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that (), ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) shall personally be bound by, and personally liable for, the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the provisions of Section 17. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

Personally and Individually

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

EXHIBIT C TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDA

**AMENDMENT TO THE FRANCHISE AGREEMENT
CITY PUBLICATIONS FRANCHISE GROUP, INC.**

FOR ALL STATES

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.

FOR THE STATE OF CALIFORNIA

This Amendment to the Franchise Agreement is agreed to this _____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-31516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for CITY PUBLICATIONS FRANCHISE GROUP, INC. shall be amended as follows:

- The California Franchise Relations Act provides rights to the Franchisee concerning termination or nonrenewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 5.B and 19.
- Sections 5B.10 and 20B.2 of the Franchise Agreement require Franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under California Franchise Investment Law and California Franchise Relations Act.
- Section 17A of the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Franchise Agreement; this covenant may not be enforceable under California law.
- Section 18B.1.h of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- The Franchise Agreement requires litigation to be conducted in a court located in the State of Georgia. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of the State of Georgia. This provision might not be enforceable under California law.
- Section 19E of the Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- Section 24G of the Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Section 24B with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum in the State of Georgia.
- The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California Investment Law and/or the California Franchise Relations Act are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.
- 3.

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

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

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee;

- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents;
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto;
- (d) Violations of any provision of this division.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

By: _____

Title: _____

Franchisee: _____

By: _____

Title: _____

FOR THE STATE OF HAWAII

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement for CITY PUBLICATIONS FRANCHISE GROUP, INC. shall be amended as follows:

- The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 5B and 19, contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 5B.10 and 20B.2 of the Franchise Agreement require Franchisee to sign a general release as a condition of renewal and transfer of the franchise, such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section 18B.1.h of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee:

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF ILLINOIS

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Payment of the Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. The financial assurance requirement was imposed by the Office of the Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF INDIANA

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2.5, the Franchise Agreement for CITY PUBLICATIONS FRANCHISE GROUP, INC. shall be amended as follows:

- Sections 5B.10 and 20B.2 of the Franchise Agreement do not provide for a prospective general release of claims against Franchisor, which may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
- Section 17A of the Franchise Agreement is amended subject to Indiana Code 23-2-2.7-1(a) to provide that post-term non-competitor covenants shall have a geographical limitation of the territory granted to Franchisee.
- Section 18 of the Franchise Agreement is amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
- Section 22B of the Franchise Agreement is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 24A of the Franchise Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.
- Section 24B of the Franchise Agreement is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.
- Section 24G of the Franchise Agreement is amended to provide that arbitration between Franchisor and Franchisee, shall be conducted in Indiana or a site mutually agreed upon.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Indiana law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF MARYLAND

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for CITY PUBLICATIONS FRANCHISE GROUP, INC. shall be amended as follows:

- Sections 5B.10 and 20B.2 of the Franchise Agreement require Franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section 18B1.h of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 24A of the Franchise Agreement requires that the franchise be governed by Georgia Law; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- Sections 24B and 24G of the Franchise Agreement require litigation or arbitration to be conducted in the State of Georgia; the requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.
3. Based on our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until we complete our pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF MINNESOTA

This Amendment to the Franchise Agreement is agreed to this _____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

- Sections 5 and 20 of the Franchise Agreement shall be amended to add that with respect to franchises governed by Minnesota Law, the Franchisor will comply with the Minnesota Franchise Law which 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 of non-renewal of the Agreement.
- Sections 5B.10 and 20B.2 of the Franchise Agreement do not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- Section 7 of the Franchise Agreement shall be amended to add that as required by Minnesota Franchise Law, Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Section 19E of the Franchise Agreement shall be deleted in its entirety.
- Section 24D of the Franchise Agreement shall be amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- Section 24E shall be deleted in its entirety.
- Section 24F shall be deleted in its entirety.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

By: _____

Title: _____

Franchisee: _____

By: _____

Title: _____

FOR THE STATE OF NEW YORK

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

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 RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3: With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark: A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations. B. No such party has pending actions, other than routine litigation incidental to the business, 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 Rev. April 18, 2023 2 defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a 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; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

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

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

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF NORTH DAKOTA

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between D.E.I. FRANCHISE SYSTEMS, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Amendment, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- Under Sections 5B.10, 20B.2, and 20B.5 of the Franchise Agreement, the execution of a general release upon renewal or transfer will be inapplicable to franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 8 of the Franchise Agreement is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
- Section 17A of the Franchise Agreement is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by North Dakota law.
- Section 24A of the Franchise Agreement shall be amended to state that in the event of a conflict of laws, of North Dakota law shall prevail.
- Section 24B of the Franchise Agreement is amended to add that any action may be brought in the appropriate state or federal court in North Dakota.
- Section 24D of the Franchise Agreement shall be amended to state that the statute of limitations under North Dakota Law will apply.
- Sections 24E and 24F of the Franchise Agreement shall be deleted in their entireties.
- Section 24G of the Franchise Agreement shall be amended to state that arbitration involving a franchise purchased in 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 arbitrator will determine the location.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of North Dakota law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

D.E.I. FRANCHISE SYSTEMS, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF RHODE ISLAND

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for CITY PUBLICATIONS FRANCHISE GROUP, INC. shall be amended as follows:

- Sections 5B.10 and 20B.2 of the Franchise Agreement require Franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under The Rhode Island Franchise Investment Act.
- Sections 24A and 24B of the Franchise Agreement shall be amended to state that restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF VIRGINIA

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

- Section 18B.1.h of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

Washington Addendum to the Franchise Agreement, Franchisee Disclosure Questionnaire, and Related Documents

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a 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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF WISCONSIN

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between CITY PUBLICATIONS FRANCHISE GROUP, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 will supersede any conflicting terms of the Franchise Agreement.
2. This provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independent of this Amendment. To the extent this addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

CITY PUBLICATIONS
FRANCHISE GROUP, INC.:

Franchisee: _____

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

CITY PUBLICATIONS FRANCHISE GROUP, INC.

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CITY PUBLICATIONS FRANCHISE GROUP, INC.
FINANCIAL STATEMENTS

CITY PUBLICATIONS FRANCHISE GROUP, INC.

FINANCIAL REPORT

AS OF DECEMBER 31, 2024

CITY PUBLICATIONS FRANCHISE GROUP, INC.

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Independent Auditor's Report

To the Members
CITY PUBLICATIONS FRANCHISE GROUP, INC.
Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheets of CITY PUBLICATIONS FRANCHISE GROUP, INC. as of December 31, 2024, and 2023 and the related statements of operations, shareholders' (deficit), and cash flows for the years ended December 31, 2024, and 2023, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CITY PUBLICATIONS FRANCHISE GROUP, INC. as of December 31, 2024, and 2023, and the results of their operations and their cash flows for the years ended December 31, 2024, and 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of CITY PUBLICATIONS FRANCHISE GROUP, INC. for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on March 15, 2023.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CITY PUBLICATIONS FRANCHISE GROUP, INC.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CITY PUBLICATIONS FRANCHISE GROUP, INC.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CITY PUBLICATIONS FRANCHISE GROUP, INC.'s ability to continue as a going concern for a reasonable period of time.

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

Reese CPA LLC

Ft. Collins, Colorado
April 20, 2025

CITY PUBLICATIONS FRANCHISE GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	AS OF DECEMBER 31,	
	2024	2023
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	\$ 469,911	\$ 34,370
Accounts receivable	6,166	10,184
TOTAL CURRENT ASSETS	476,077	44,554
NON-CURRENT ASSETS		
Property and equipment	2,179	3,000
Other assets	8,362	8,362
TOTAL ASSETS	\$ 486,618	\$ 55,916
LIABILITIES AND SHAREHOLDERS' (DEFICIT):		
CURRENT LIABILITIES		
Accounts payable	\$ 478,790	\$ 84,847
Non-refundable deferred franchise fees, current	29,393	22,373
TOTAL CURRENT LIABILITIES	508,183	107,220
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise fees	52,433	34,306
TOTAL LIABILITIES	560,616	141,526
SHAREHOLDERS' (DEFICIT)		
Common stock, \$1 par value, 100,000 shares authorized		
1,000 shares issued and outstanding	1,000	1,000
Additional paid-in capital	17,000	17,000
Retained earnings	1,902,107	1,745,483
Due from affiliates	(1,994,105)	(1,849,093)
TOTAL SHAREHOLDERS' (DEFICIT)	(73,998)	(85,610)
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIT)	\$ 486,618	\$ 55,916

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

CITY PUBLICATIONS FRANCHISE GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
REVENUES			
Franchise fees	\$ 624,453	\$ 305,073	\$ 226,598
Royalty fees	165,720	236,040	239,415
Other revenues	322,271	445,561	448,915
Management fees	300,827	285,828	225,539
TOTAL REVENUES	1,413,271	1,272,502	1,140,467
OPERATING EXPENSES			
Compensation and related costs	561,870	555,064	505,806
General and administrative	274,238	328,368	457,315
Franchise related costs	244,917	212,220	150,427
Advertising and promotion	29,375	32,623	15,369
Professional fees	26,418	41,310	(4,174)
Bad Debt expense	312	-	26,102
Depreciation expense	3,000	3,000	3,000
TOTAL OPERATING EXPENSES	1,140,130	1,172,585	1,153,845
OPERATING INCOME	273,141	99,917	(13,378)
OTHER (EXPENSE)			
Interest expense	(9,194)	(414)	(460)
NET INCOME	\$ 263,947	\$ 99,503	\$ (13,838)

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

CITY PUBLICATIONS FRANCHISE GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Due From Affiliates</u>	<u>Retained Earnings</u>	<u>Total Shareholders' (Deficit)</u>
BALANCE, DECEMBER 31, 2021	\$ 1,000	\$ 17,000	\$ (1,770,163)	\$ 1,715,261	\$ (36,902)
Advances from (to) affiliates			(11,790)		(11,790)
Capital (distributions)				(72,470)	(72,470)
Net (loss)				(13,838)	(13,838)
BALANCES, DECEMBER 31, 2022	<u>1,000</u>	<u>17,000</u>	<u>(1,781,953)</u>	<u>1,628,953</u>	<u>(135,000)</u>
Advances from (to) affiliates	-	-	(67,140)	-	(67,140)
Capital additions	-	-	-	17,027	17,027
Net income	-	-	-	99,503	99,503
BALANCE, DECEMBER 31, 2023	<u>1,000</u>	<u>17,000</u>	<u>(1,849,093)</u>	<u>1,745,483</u>	<u>(85,610)</u>
Advances from (to) affiliates	-	-	(145,012)	-	(145,012)
Capital (distributions)	-	-	-	(107,323)	(107,323)
Net income	-	-	-	263,947	263,947
BALANCE, DECEMBER 31, 2024	<u>\$ 1,000</u>	<u>\$ 17,000</u>	<u>\$ (1,994,105)</u>	<u>\$ 1,902,107</u>	<u>\$ (73,998)</u>

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

CITY PUBLICATIONS FRANCHISE GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ 263,947	\$ 99,503	\$ (13,838)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	3,000	3,000	3,000
Recognition of non-refundable deferred franchise fees	(34,253)	(22,373)	(16,313)
Changes in assets and liabilities:			
Accounts receivable	4,018	(10,184)	36,271
Other assets	-	38	-
Accounts payable	393,943	(22,064)	(7,299)
Non-refundable deferred franchise fees	59,400	30,300	23,365
Net cash provided by operating activities	<u>690,055</u>	<u>78,220</u>	<u>25,186</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(2,179)	-	-
Net cash (used) by investing activities	<u>(2,179)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances to affiliates	(145,012)	(67,140)	(50,894)
Capital additions	(107,323)	17,027	13,838
Net cash (used) by financing activities	<u>(252,335)</u>	<u>(50,113)</u>	<u>(37,056)</u>
NET INCREASE (DECREASE) IN CASH	435,541	28,107	(11,870)
CASH, BEGINNING	<u>34,370</u>	<u>6,263</u>	<u>18,133</u>
CASH, ENDING	<u><u>\$ 469,911</u></u>	<u><u>\$ 34,370</u></u>	<u><u>\$ 6,263</u></u>
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	\$ 9,194	\$ 414	\$ 460
Cash paid for taxes	\$ -	\$ -	\$ -

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

CITY PUBLICATIONS FRANCHISE GROUP, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CITY PUBLICATIONS FRANCHISE GROUP, INC. (“Company”) was formed on December 31, 2002, in the State of Georgia as a corporation. The Company grants franchises for the operation of a business which provides high quality direct mail advertising to a target market of affluent homeowners.

Reporting Entity

The Company’s financial statements include the combined results of the Company and City Publications Services, Inc.(“CPS”) a Georgia corporation formed on March 29, 2010. The Companies share common ownership. CPS provides marketing, design, and mailing list services to the Company’s franchisees and management services to the Company’s affiliates. All intercompany balances have been eliminated.

Affiliates

HHCI, LLC (HHCI”) was formed on June 17, 2013, in the State of Georgia as a limited liability company. HHCI grants franchises for the right to operate a business under the name of “AmeriCare” and “AMLI Care,” which will provide non-medical home care services.

Dunphy Properties, LLC (“DP”) was formed June 2, 2005, in the state of Georgia as a limited liability company. DP is a real estate holding and management company and provides long and short term rental and other real estate services to the Company’s franchisees.

The above affiliates do not sell franchises in any other line of business and are not otherwise engaged in any other business activity.

A summary of significant accounting policies follows:

Use of Estimates

Preparation of the Company’s financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2024, and 2023.

CITY PUBLICATIONS FRANCHISE GROUP, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2024, and 2023. Bad debt expense was \$312, \$0, and \$26,102 for the years ended December 31, 2024, 2023 and 2022, respectively.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years).

Revenue Recognition and Non-refundable Deferred Franchise Fees

The Company recognizes revenue under the guidance of ASC 606 “Contracts with Customers”. The Company’s revenue mainly consists of franchise fees, royalties, and ancillary revenues.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The Company is using the practical expedient under the guidance ASC 606 and is treating all pre-opening activities as distinct from the franchise license as defined in the next paragraph. The Company has determined that 90% of its initial franchise fee is allocable to the pre-opening obligations in the franchise contract. The remainder of performance obligations not related to the grant of the license represent a single performance obligation, and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as non-refundable deferred franchise fees and recognized as revenue over the term of the contract which is currently 10 years.

When a franchisee purchases a franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos (“the license”) for a specific period of time and in a specific territory. The license is symbolic intellectual property. Revenues related to the license are continuing royalties of 6% of gross sales, subject to a minimum royalty as defined in the franchise agreement. Royalty revenues are compensation for the use of the license in the territory, over the term of the contract, and will be used in part to continue the development of the Company’s brand, the franchise system and provide on-going support for the Company’s franchisees. The royalties are billed monthly and are recognized as revenue when earned.

CITY PUBLICATIONS FRANCHISE GROUP, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ancillary Franchise Fees

Revenue from other fees and additional training services as specified in the franchise agreement are recognized as revenue when control of the related goods or service has been transferred to the control of the franchisee. All ancillary fees are billed monthly as the service is delivered or available. Training is billed at the conclusion of the training.

Income Taxes

The members of the Company have elected to be taxed as a Sub Chapter S corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax return of its member and no provisions for federal or state taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 “Accounting for Uncertainty in Income Taxes”, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company’s member. The Company’s evaluation was performed for the years ended December 31, 2024, 2023, and 2022 for U.S. Federal Income Tax and for the State of Georgia Income Tax.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the period for the years ended December 31, 2024, 2023, and 2022, was \$29,375, \$32,623, and \$15,369, respectively.

Fair Value of Financial Instruments

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts approximate fair value due to their short maturities.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued Accounting Standards Updates (“ASU”). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

CITY PUBLICATIONS FRANCHISE GROUP, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACTS WITH CUSTOMERS

The Company has recorded a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. The account balances and activity for the years ending December 31 are as follows:

	December 31, 2024	2023
Deferred Non-refundable Franchise Fees:		
Balance beginning of year	\$ 56,679	\$ 48,752
Deferral of non-refundable franchise fees	59,400	30,300
Recognition of non-refundable franchise fees	(34,253)	(22,373)
Balance at end of year	<u>\$ 81,826</u>	<u>\$ 56,679</u>

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the year ended December 31, is as follows:

	2024	2023	2022
Performance obligations satisfied at a point in time	\$ 1,379,018	\$ 1,250,129	\$ 1,124,154
Performance obligations satisfied by the passage of time	<u>34,253</u>	<u>22,373</u>	<u>16,313</u>
Total revenues	<u>\$ 1,413,271</u>	<u>\$ 1,272,502</u>	<u>\$ 1,140,467</u>

Estimated Recognition of Deferred Franchise Fees

Estimated revenues and franchise acquisition costs to be recognized in future periods related to deferred franchise fees reported as of December 31, 2024, is as follows:

	Non-refundable Franchise Fees
Year ending December 31:	
2025	\$ 29,393
2026	22,613
2027	17,940
2028	<u>11,880</u>
	<u>\$ 81,826</u>

CITY PUBLICATIONS FRANCHISE GROUP, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, 2023, and 2022, the Company provided management and advertising services to the Company's affiliate HHCI in the amount of \$300,827, \$285,828, and \$225,539, respectively. During the years ended December 31, 2024, 2023, and 2022 the Company advanced \$145,012, \$67,140, and \$50,894, net to support affiliate operations. Advances due from affiliates as of December 31, 2024, and 2023 were \$1,994,105, and \$1,849,093. The advances bear no interest and have no repayment terms and are classified as a component of shareholders' (deficit) as the affiliates are under common control through common ownership.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Litigation

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

NOTE 5 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through April 20, 2025, the date on which the financial statements were available to be issued.

**EXHIBIT F TO DISCLOSURE DOCUMENT
CITY PUBLICATIONS FRANCHISE GROUP, INC.
LIST OF FRANCHISEES AS OF 12/31/2024**

ALABAMA

North Alabama/City Publications North Alabama
Franchisee: B. Gandy
3715 Rainbow Drive, Apt 924
Rainbow City, AL 35906
(256) 490-3746

COLORADO

NoCo/City Publications Northern Colorado
Franchisee: C. O'Neill
386 Tiabi Ct
387 Loveland, CO 80537
(808) 223-0898

5280/City Publications 5280
Franchise: Robin Hollenback
388 Tiabi Ct
389 Loveland, CO 80537
720-261-7772

CONNECTICUTT

Fairfield/City Publications Fairfield
Franchisee: P. Ferrandino
79 George Ave.,
Norwalk, CT 06851
(203) 855-9000

FLORIDA

South Florida/City Publications
South Florida/City Publications South Florida
Franchisee: Edmund Schlacher
104 NE 2nd Circle
Boca Raton, FL 33431
(954) 540-8276

Tampa Bay/City Publications Tampa Bay
Franchisee: Kristy Chase Tozer
3202 W San Juan St
Tampa, FL 33629
(813) 580-8555

GEORGIA

Atlanta /City Publications Atlanta
Franchisee: Brian Jungles
2987 Surrey Ln
Brookhaven, GA 30341
(678) 350-6084

Atlanta North/City Publications Atlanta North
Franchisee: SMK Associates, Inc. (D. Grow)
3162 Johnson Ferry Rd Ste 260
Marietta, GA 30062
(770) 973-0892

Intown/City Publications Atlanta Intown
Franchisee: SMK Associates, Inc. (D. Grow)
3162 Johnson Ferry Rd Ste 260
Marietta, GA 30062
(770) 973-0892

ILLINOIS

Chicago /City Publications Chicago
Franchisee: T. Bujanski
5308 W 105th Place
Oak Lawn IL 60453
7773-339-0619

Chicago/Western Suburbs /City Publications Chicago South Suburbs
Franchisee: A. Newcomb
1206 Herrington Road
Geneva, IL 60134
(630) 624-1609

Chicago/Western Suburbs/City Publications Chicago North Shore
Franchisee: A. Newcomb
1206 Herrington Road
Geneva, IL 60134
(630) 624-1609

Chicago/Western Suburbs/City Publications Chicago Western Suburbs
Franchisee: D. Newcomb
1N051 Timothy Lane
Wheaton, IL 60188
(630) 510-2655

KENTUCKY

Lexington/City Publications Kentucky
Franchisee: Jerry Courtney
1065 Sawgrass Cove
Lexington KY 40509
(859) 327-4316

MARYLAND

Baltimore/City Publications Maryland
Franchisee: R. Mowry
2608 Queensland Drive
Ellicott City, MD 21042
(443) 255-8487

MICHIGAN

Grand Rapids/City Publications Grand Rapids
Franchisee: D. De Mey
284 Netherfield St NW
Comstock Park, MI 49321
(616) 635-4967

Oakland & Macomb
Franchisee: Michael Mattei
6893 Blackwell, Shelby Township
Michigan 48317

MISSOURI

St. Louis/City Publications St. Louis
Franchisee: Preston C. Polk Jr.
945 Delvin Drive
St. Louis, MO 63141
(636) 795-3627

NEW YORK

Hudson Valley/City Publications of the Hudson Valley
Franchisee: A. Pinto
14 Walnut Lane, Apt. 1
Harrison, NY 10528
845-745-0602

Manhattan/City Publications Manhattan
Franchisee: Eric Somnolet
330 East 57th Street
New York, NY 10022
(973) 723-8984

Long Island/City Publications of Long Island
Franchisee: Travis Jackson
425 Grant Avenue
Copiague, NY 11726
(631) 933-0502

NORTH CAROLINA

Asheville/City Publications Asheville
Franchisee: K. Lichtfuss
120 Demko Lane #320
Asheville, NC 28806
(612) 803-2982

Carolinas/City Publications of the Carolinas
Franchisee: Parker Melvin
11112 Ridge Oak Dr
Charlotte, NC 28273
(704) 288-8815

Piedmont/City Publications Piedmont
Franchisee: P. Uber
3612 Pinetop Road
Greensboro, NC 27410
(336) 451-4839

RDU/City Publications RDU
Franchisee: Jeff M.
1603 Carriage Drive
Franklinton, NC 27525

OKLAHOMA

Oklahoma City Metro/City Publications OKC Metro
Franchisee: A. McMillin
313 East Parkland Drive
Ukon, OK 73099
(405) 229-4145

Tulsa/City Publications Tulsa
Franchisee: A. McMillin
313 East Parkland Drive
Ukon, OK 73099
(405) 229-4145

PENNSYLVANIA

Pittsburgh/City Publications Pittsburgh
Franchisee: M. Molli
212 Iroquois Rd.
Pittsburgh, PA 15241
(412) 897-9555

Erie/City Publications Pittsburgh and Erie
Franchisee/Operator: M. Molli/L. Davidson
212 Iroquois Rd.
Pittsburgh, PA 15241
(412) 897-9555

Delaware Valley/City Publications Delaware Valley
Franchisee: Gary Schuck
515 Nottinghill Lane
Hamilton, NJ 08619
(609)-366-2257

SOUTH CAROLINA

Charleston/City Publications Charleston
Franchisee: Dan Lile
121 King Charles Circle
Summerville, SC 29485
(843) 303-2225

Myrtle Beach/City Publications Myrtle Beach
Franchisee: Dan Lile
121 King Charles Circle
Summerville, SC 29485
(843) 303-2225

TENNESSEE

Nashville/City Publications Nashville
Beau Beach
2023 Memorial Drive
Franklin TN, 37064

TEXAS

Austin/City Publication Austin

Franchisee: Nico Larez
1705 Constanta Drive
Austin TX 78753

Dallas/City Publications Dallas

Franchisee: Shannon Kennedy
3813 Deep Valley Trail
Plano, TX 75023

Houston/City Publications Houston

Franchisee: Rachelle Park
1737 DuBarry Lane
Houston, TX 77018
(832) 341-5667

Fort Worth/City Publications Fort Worth

Franchise: Kale Engelhardt
1737 DuBarry Lane
Houston, TX 77018
(817) 308-7771

UTAH

Salt Lake City South /City Publications SLC South

Franchisee: Heidi Patzold
4943 W Rose Quartz Rd.
Herriman, UT 84096
(435) 881-1481

Salt Lake City/City Publications SLC

Franchisee: Kyle Hunter
1370 East Preston Dr.
Alpine, UT 84004
(801) 336-7163

VIRGINIA

Northern Virginia/City Publications NOVA
Franchisee: Bruce Antley
1765 Greensboro Station Place, Suite 900
McLean, VA 22102
(571) 268-4334

2024 LEFT THE SYSTEM:

ARIZONA

East Valley/City Publications East Valley
Franchisee: Bob Varadin
2671 E Los Alamos Ct
Gilbert, AZ 85295
(480) 436-3499

HAWAII

Hawaii/City Publications Hawaii
Franchisee: Michael Tokunaga
1317 Naulu Place
Honolulu, Hawaii 96818

MISSOURI

Kansas City/City Publications Kansas City
Franchisee: S. Buckley
16020 W. 89th Terr. #608
Lenexa, M 66219
(785) 250- 0115

NORTH CAROLINA

Charlotte/City Publications Charlotte
Franchisee: N. Floyd
2308 Dilworth Rd W
Charlotte, NC 28203
(704) 477-3354

EXHIBIT G TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, CITY PUBLICATIONS FRANCHISE GROUP, INC. and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, CITY PUBLICATIONS FRANCHISE GROUP, INC. will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the CITY PUBLICATIONS FRANCHISE GROUP, INC. Franchise Agreement and each exhibit attached to it?

Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it?

Yes ___ No ___

If "No", what parts of the Franchise Agreement do you not understand?
(Attach additional pages, if necessary.)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes ___ No ___

4. Do you understand all of the information contained in the Disclosure Document?

Yes ___ No ___

If "No", what parts of the Disclosure Document do you not understand?
(Attach additional pages, if necessary.)

_____	_____
-------	-------

4.

Have you discussed the benefits and risks of operating a CITY PUBLICATIONS business with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ___ No ___
5.

Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes ___ No ___
6.

Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business that we or our franchisees operate?
Yes ___ No ___
7.

Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No ___
8.

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 under the CITY PUBLICATIONS System?
Yes ___ No ___
9.

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 Disclosure Document?
Yes ___ No ___
10.

If you have answered "Yes" to any of questions seven (7) through ten (10), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such questions, please leave the following lines blank.

_____	_____
_____	_____
_____	_____
_____	_____

Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?
Yes ___ No ___

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.

Nothing in this Questionnaire shall serve to waive any liability that we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant

Date: _____, 20____

Signature

Name and Title of Person Signing

EXHIBIT H TO THE DISCLOSURE DOCUMENT

CITY PUBLICATIONS FRANCHISE GROUP, INC.

MULTI-STATE ADDENDA

**Addendum To The
CITY PUBLICATIONS FRANCHISE GROUP, INC.
Disclosure Document**

FOR ALL STATES

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.

FOR THE STATE OF CALIFORNIA

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

2. Neither the Franchisor nor any person identified in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

ITEM 17 of the Disclosure Document is amended to add the following:

- The 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.
- 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.).
- The Franchise Agreement requires Franchisee to sign a general release as a condition of transfer or renewal of your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
- The Franchise Agreement contains a covenant not to compete which extends beyond the term of the agreement. This provision may not be enforceable under California law.
- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- The Franchise Agreement requires litigation to be conducted in a court located in the State of Georgia. This provision may not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of the State of Georgia. This provision might not be enforceable under California law.
- The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the prevailing party.
- Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum in the State of Georgia.
- 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.

- The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.
- The following URL address is for the franchisor's website:

www.citypublications.com

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

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

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

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee;
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents;
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto;
- (d) Violations of any provision of this division.

FOR THE STATE OF HAWAII

1. The Franchise Agreement and Disclosure Document have been amended as follows:
 - The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 5B and 19 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
 - Sections 5B.10 and 20B.2 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.
 - Section 18B.1.h of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
3. The Receipt Pages are amended to add the following:
 - THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
 - THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
 - THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Payment of the Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. The financial assurance requirement was imposed by the Office of the Attorney General due to Franchisor's financial condition.

FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:
 - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.
2. ITEMS 6 and 9 of the Disclosure Document is amended to add the following:
 - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products which were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.
3. ITEM 17 of the Disclosure Document is amended to add the following:
 - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
 - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
 - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.
 - ITEM 17(u) is amended to provide that arbitration between a franchisee and franchisor will be conducted in Indiana or a site mutually agreed upon.
 - ITEM 17(v) is amended to provide that franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana law.
 - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal and/or transfer which is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
- Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Item 5 of the Disclosure document is amended to add the following: Based on our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until we complete our pre-opening obligations under the franchise agreement.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

FOR THE STATE OF MICHIGAN

1. 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 prohibition of the right of Franchisee to join an association of franchisees.
- A requirement that a Franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a Franchisee of rights and protections provided under Michigan law. This shall not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.
- A provision that permits a Franchisor to terminate a franchise prior to the expiration of this 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.
- 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: (a) the term of the franchise is less than 5 years, and (b) the Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the Franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.

- 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.
- 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 or litigation, to conduct arbitration or litigation at a location outside this state.
- A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The 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:
 - The failure of the proposed transferee to meet the Franchisor's then-current reasonable qualifications or standards.
 - The fact that the proposed transferee is a competitor of the Franchisor or Subfranchisor.
 - The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - 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.
- 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 and has failed to cure the breach in the manner provided in subdivision (C).
- A provision which permits the Franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the Franchisee unless a provision has been made for providing the required contractual services.

2. If the Franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000 the Franchisee may request the Franchisor to arrange for the escrow of initial investment and other funds paid by the Franchisee until the obligations, if any, of the Franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the Franchisor, a surety bond may be provided in place of escrow.

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Bureau
670 Law Building
Lansing, MI 48913
(517) 373-3800

FOR THE STATE OF MINNESOTA:

1. ITEM 13 of the Disclosure Document is amended as follows:
 - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee's right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
2. ITEM 17 of the Disclosure Document is amended as follows:
 - 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 of non-renewal of the Franchise Agreement.
 - Item 17 does not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
 - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

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 SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

3. The following is to be 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 Rev. March 17, 2021 2 injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”: However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

FOR RESIDENTS OF THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If Franchisor elects to cancel this Franchise Agreement, Franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal and/or transfer which is intended to exclude claims arising under North Dakota Law.
- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The Franchise Agreement shall be amended to state that the statute of limitations under North Dakota Law will apply.

- ITEM 17(i) is amended to state covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- ITEM 17(v) is amended to state a provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-1 through 34 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE STATE OF VIRGINIA:

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for City Publications Franchise Group, Inc., for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Pursuant to Section 13.1-654 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 a 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

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.

FOR THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a 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.

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

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

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

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

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

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	April 21, 2024
Hawaii	
Illinois	April 30, 2024
Indiana	June 21, 2024
Maryland	November 4, 2024
Michigan	July 16, 2024
Minnesota	September 17, 2024
New York	June 13, 2024
North Dakota	
Rhode Island	
South Dakota	
Virginia	November 15, 2024
Washington	October 18, 2024
Wisconsin	October 7, 2024

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

ITEM 23. RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If City Publications Franchise Group, Inc. offers you a franchise, it must provide this disclosure document to you at least 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. New York state law requires a franchisor to provide the franchise 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.

If City Publications Franchise Group Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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.

Issuance Date: April 20, 2025.

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

Richard Houden and Nives Stanetti serve as our franchise sellers and can be reached at (770) 951-0048, at 1300 Parkwood Circle, Suite 100, Atlanta, Georgia 30339.

I have received a disclosure document dated April 20, 2025. This disclosure document included the following exhibits:

- a. List of state administrators
- b. List of state agents for service of process
- c. Franchise agreement
- d. Table of contents of operating manual
- e. Financial statements
- f. List of franchisees
- g. Franchisee disclosure questionnaire
- h. Multi-state addenda

Date of Receipt

Print Name

Signature

(KEEP THIS COPY FOR YOUR RECORDS)

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Date of Receipt

Print Name

Signature

**(PLEASE SIGN AND DATE AND RETURN THIS COPY TO CITY PUBLICATIONS
FRANCHISE GROUP, INC.)**