

FRANCHISE DISCLOSURE DOCUMENT



Natural Awakenings Publishing Corp.
4851 Tamiami Trail, Suite 200
Naples, FL 34103
239-434-9392
www.NaturalAwakenings.com

You will own a Natural Awakenings franchise, publishing a Natural Awakenings® magazine, which is a free, local, community magazine with content on healthy lifestyles and sustainable living. Your business income is derived from the sale of advertising space using our business system.

The total investment necessary to begin operation of a Natural Awakenings franchise is between \$63,300.00 to \$120,550.00. This includes the Franchise Fee of \$49,500 that must be paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our corporate office at 4851 Tamiami Trail, Suite 200, Naples, FL 34103 or via telephone at 239-434-9392.

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, such as a lawyer or an accountant.

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

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

Issuance Date: ~~June 5~~ April 28, 2020~~2021~~.

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, Exhibit C.
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 B 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 Natural Awakenings Franchised 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 Natural Awakenings franchisee?	Exhibit C is a list of current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Florida. 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 Florida than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statement (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
3. **Mandatory Minimum Payments.** You must make minimum royalty—~~or~~₂ advertising—~~contributions, and other payments,~~ regardless of your sales levels. Your inability to make these payments may result in 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.

~~We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.~~

States Effective Dates: See Exhibit G.

NATURAL AWAKENINGS PUBLISHING CORP.

NOTICE REQUIRED BY 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 the Franchisee to join an association of franchisees.

(B) A requirement that the Franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the Franchisee of rights and protections provided in the Michigan Franchise Investment Law. This section will not preclude the Franchisee, after entering into the Franchise Agreement, from settling any and all claims.

(C) A provision that permits the Franchisor to terminate the franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the Franchisee to comply with any lawful provisions 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 the Franchisor to refuse to renew the 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 section applies only if:

(1) The term of the franchise is less than five years; and

(2) The Franchisee is prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logo-type, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise, or the Franchisee does not receive at least six months' advance notice of the 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 the State of Michigan. This section will not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the State of Michigan.

(G) A provision that permits the Franchisor to refuse to permit a transfer of ownership of the franchise, except for good cause. This section does not prevent the Franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

(1) The failure of the proposed transferee to meet the Franchisor's then-current reasonable qualifications or standards.

(2) The fact that the proposed transferee is a competitor of the Franchisor or subfranchisor.

(3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(4) 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 section does not prohibit a provision that grants to the 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 section 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 section (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 MICHIGAN ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE MICHIGAN ATTORNEY GENERAL. ANY QUESTIONS REGARDING THE NOTICE SHOULD BE DIRECTED TO THE MICHIGAN DEPARTMENT OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, FRANCHISE UNIT, 670 LAW BUILDING, LANSING, MI 48913 (517) 373-7117.

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 - Exhibit A: Personal Guarantee Agreement
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ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Franchisor

Natural Awakenings Publishing Corp. is the Franchisor and is referred to in this Disclosure Document as “NAPC,” “we” or “us”. The franchise offered and sold by NAPC is referred to in this Disclosure Document as the “Natural Awakenings® Magazine.” “You” means the person or entity that buys the franchise from NAPC. If the franchise is purchased by a corporation, limited liability company, partnership or other entity, then “you” may also mean the shareholders, members, partners or other owners of that entity.

The Natural Awakenings concept was founded in Naples Florida in 1993. NAPC is a Florida corporation formed to franchise Natural Awakenings magazines. It was formed on June 2, 1999 and does business under its entity name. NAPC’s principal business address is 4851 Tamiami Trail, Suite 200, Naples, FL 34103. NAPC also owns a dating website located at www.NaturalAwakeningsSingles.com, which is administered by Conscious Dating Network. Franchises have not, nor will they ever be, offered from this website. Other than this website, NAPC does not conduct any other business, does not operate Natural Awakenings magazines, and does not offer franchises for any other line of business, other than the franchises being offered in this Disclosure Document.

The agents for service of process for NAPC are listed in the State Agency Exhibit attached to this Disclosure Document (Exhibit A).

Predecessors and Affiliates of NAPC

NAPC has no Parent or Predecessors. Our Principal Owner owns Natural Awakenings Magazine, Inc., a Florida corporation formed on June 24, 2004, that publishes the Naples/Ft. Myers Edition of Natural Awakenings Magazine. The principal business address of Natural Awakenings Magazine, Inc. is also 4851 Tamiami Trail, Suite 200, Naples, FL 34103. Prior to the formation of this corporation the business was operated with the fictitious name, Natural Awakenings, which began operation on November 10, 1993. This is the business model for the NAPC franchise system. Natural Awakenings

Magazine, Inc., does not and has never sold franchises.

Franchised Business

You will conduct business as Natural Awakenings Magazine, publishing a free, local, community magazine [and maintaining a website](#) with content on healthy lifestyles and sustainable living. Your business income is derived from the sale of advertising space [in your magazine and on your website](#) using our business system. Each NAPC franchise territory carries with it the right to establish and maintain one Natural Awakenings magazine business in a single language.

As a Natural Awakenings franchisee, you will have the right to use the “Natural Awakenings” service/trademark and other symbols used in the operation of a Natural Awakenings business (the “Marks”), within a protected, exclusive area (“Territory”), selling advertising space in your Natural Awakenings magazine to companies desiring to advertise their goods and services to our targeted readership.

You will be competing with other types of natural lifestyle magazines that sell advertising to businesses of the same nature.

Regulations Specific to the Publishing Industry

Operating a Natural Awakenings magazine franchise requires that you be in compliance with federal, state, local or other licensing and related requirements. Many of the laws, rules and regulations

that apply to businesses generally have particular applicability to a Natural Awakenings magazine. You are required to obtain the necessary licenses and or permits for the operation of your Natural Awakenings franchise. Each state may differ in licensing and permit requirements for the services you will offer. It is your responsibility to research the requirements that apply to your specific Territory, to provide us with any research you perform, and to operate your franchise in full compliance with all Federal, State and Local laws that apply to your business.

ITEM 2 BUSINESS EXPERIENCE

The following persons are the directors, principal officers and other executives who have management responsibilities in the operation of our business. Background information includes their present positions within the organization and their principal occupational information over the past five years.

Founder, CEO and Editor-In-Chief, Sharon Bruckman

January 1994 – Present Natural Awakenings Magazine (Collier/Lee Edition) Naples, FL Founder of Natural Awakenings magazine.

June 1999 – Present Natural Awakenings Publishing Corp. Naples, FL

Assistant Director of Operations: Heather Gibbs

September 2012 – Present Natural Awakenings Publishing Corp. Naples, FL

Chief Operations Officer & Director of Franchise Sales: Joseph Dunne

January 2019 – Present Natural Awakenings Publishing Corp., Naples, FL

January 2018 – Present Natural Awakenings Magazine (Bucks & Montgomery Counties Edition) Bedminster, NJ

January 2017 – Present Natural Awakenings Magazine (Central NJ Edition), Bedminster, NJ

August 2012 – Present Natural Awakenings Magazine (NJ Edition) Bedminster, NJ

Publisher Training Manager: Melanie Rankin

February 2020 – Present Natural Awakenings Publishing Corp., Naples, FL

March 2006 – Present Full Circle Publications (Owner), Pensacola FL

Digital Content Director: Rachael Oppy

September 2010 – Present Natural Awakenings Publishing Corp., Naples, FL

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5 INITIAL FEES

When you sign the Franchise Agreement, you will pay NAPC, in cash or other form of payment acceptable to NAPC, an initial fee of \$49,500 for the right to establish and operate one Natural Awakenings Magazine in a Territory that consists of at least 500,000 in general population (the “**Initial Franchise Fee**”).

The initial franchise fee includes the use our Marks, complete initial training program, ongoing support and guidance in your magazine's production and proven sales and marketing materials to assist in the development of your magazine's business. The initial franchise fee also includes the essential sales aids and promotional materials, digital versions of marketing materials, Editorial Archives, Cover Art Archives and all required business forms and rate sheets.

You must submit your formal application and only if approved will you be offered a Natural Awakenings franchise. Once you sign the Franchise Agreement, you must pay the initial franchise fee. The initial franchise fee is due upon the signing of the Franchise Agreement, is fully earned by us and is entirely non-refundable in consideration of administrative and other expenses incurred by us in entering into the Franchise Agreement and for our lost or deferred opportunity to enter into the Franchise Agreement with others. [During fiscal year 2020, we did not collect any Initial Franchise fees.](#)

The population of the Natural Awakenings franchise territories is determined by the data compiled from the United States Census Bureau.

ITEM 6 OTHER FEES

NAME OF FEE	AMOUNT	WHEN DUE	REMARKS
Royalties	7% of Gross Revenues or \$250.00 per month, whichever is greater, plus two full-pages of your Magazine for NAPC use, sale or transfer. 7% of Gross Revenues or \$500.00 per month, whichever is greater, plus two full-pages of your Magazine for NAPC use, sale or transfer.	First six months (6) following commencement of your NA magazine business. Payable with your monthly report and due between the 1 st and the 10 th day of the issue month. Month seven (7) following commencement of your NA magazine business and continuing throughout the term of this agreement. Payable with your monthly report and due between the 1 st and the 10 th day of the issue month.	Note 1 below
Production & Editorial Services	\$2,000.00 per month	Free for first 3 months, then ONLY if needed by you and resources are available by us during the term of the agreement	Note 2 below
Technology & Maintenance	\$350.00 to \$450.00 per month	Monthly fees for website licensing, hosting, digital marketing, C.R.M. and other technology related items	Note 3 below
National Advertising Fund	1% of Monthly Gross Revenues	ONLY if activated. Due by the 10 th of the following month	Note 4 below
Regional Advertising Cooperative	1% of Monthly Gross Revenues	ONLY if activated in your area. Due by the date determined by the Cooperate Members.	Note 4 below

NAME OF FEE	AMOUNT	WHEN DUE	REMARKS
Additional Training	\$1,500.00 plus Travel and Out-of-Pocket expenses	As needed at time of training. If the Franchise is purchased from an existing owner and not NAPC, then the INITIAL training cost will be \$3,500.	Note 5 below
Renewal Fee	N/A	N/A	Note 6 below
Renewal Admin Fee	\$850	Upon Renewal	Note 7 below
Transfer Fee	\$7,500	Before closing or deducted from the sales proceeds	Note 8 below
Franchise Agreement Amendment Admin Fee	Costs incurred by Franchisor related to drafting an amendment, with a minimum charge of \$500 per amendment	Prior to the execution of the Amendment to the Franchise Agreement	Note 9 below
Convenience Fee	3 <u>3.99</u> % of amount paid	At the time of payment of any fee by credit card	Note 10 below
Late Fee and Interest	\$5/day; 1.5%/month	When and If Lateness Occurs	Note 11 below
National Advertising Default Fee	The greater of \$750 or the prorated amount we are indebted to the National Advertiser for each time you fail to honor the insertion order, based on the amount the advertisement was sold for and number of markets it was to be placed in, if applicable) plus a \$250 administrative fee.	If you fail to include advertising from a National Advertiser or any portion of the advertisements, we require you to include our in your publication.	Note 12 below
Insurance Default Fee	The cost of insurance plus \$100.00 per month.	If you fail to purchase the required minimum insurance and we do so on your behalf.	Note 13 below
Attorney Fees	Actual Fees and costs.	After adjudication of legal action	Note 14 below
Audit Fees	Actual cost of audit plus interest on overdue amounts.	Upon receipt of bill	Note 15 below
Extended Support & Additional Services Fee	\$75/ hour plus Travel and Out-of-Pocket expenses, if any	Upon receipt of invoice.	Note 16 below

NOTE: Except where otherwise specified above or in the following footnotes, 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. Any fees paid to us are non-refundable unless otherwise noted.

Footnotes to Item 6

1. ~~1.~~ **Royalty Fees.** You will pay NACP \$250.00 per month or 7% of Gross Revenues, as defined below, whichever is greater, every month for the first six (6) months of your NA magazine business, then from month seven (7) and continuing throughout the term of the agreement, you will pay \$500.00 per month or 7% of Gross Revenues, whichever is greater. Royalties are payable with your monthly report and due by the 10th of the issue month to NACP. In addition, you must provide two full pages or separate smaller sections to equal two full pages of advertising space for NACP's use, sale or transfer. If NACP elects not to use the two full pages of advertising, the remaining portion will not be cumulative to the next month/issue, and NACP will forfeit the remaining portion for that month/issue.

"Gross Revenues" means all revenues and income of any type or nature and from any source that you derive or receive, directly or indirectly, from, through, by, or on account of the operation of the Franchise and/or use of our marks, whether generated within or outside of the Approved Territory, and whether received in cash, in services, in kind, from barter and/or exchange, on credit, or otherwise, other than goods or services received by you in a barter exchange to promote the Franchised Business. Gross Revenues will include, without limitation, all revenues you receive after the expiration or termination of this Agreement in connection with Pendencies, as defined in the Franchise Agreement. For purposes of calculating Gross Revenues, you may not deduct or exclude any of the following items: commissions paid to your sales associates; payments required under the Franchise Agreement; the expenses of operating your business, including expenses related to the Franchised Business; any other costs incurred by you; or, any other deductions or exclusions that are not specifically authorized by the Franchise Agreement or the Operations Manual. Gross Revenues do not include, however, any sales taxes or other taxes collected by you for transmittal to the appropriate taxing authority (See Franchise Agreement Section 6).

Bartering cannot exceed 25% of your total Gross Revenue, in any given month. If you receive an offer to barter services that is more than 25% of your total monthly Gross Revenue, you may submit a written request for consideration to us prior to accepting the barter. We will provide an answer to your request within 15 days of the request receipt.

If you continue to operate the Franchised Business after the expiration of the Initial Term and have not renewed the term; then, the Royalty Fee will be the greater of 14% of Gross Revenues or \$600.00 per month.

2. ~~2.~~ **Magazine Production & Editorial Services** are included for the first 3 months of publishing your Natural Awakenings magazine at no additional fee. The NACP editorial team will provide consultation, review, editing and proofreading for the first 3 months. You will be responsible for the layout of your Natural Awakenings magazine or contract with another qualified graphic designer or layout professional any time after the first three months. NACP requires any hired graphic designers to complete a magazine layout test of their abilities prior to their contract with you (See Franchise Agreement, Section 6.4).
3. ~~3.~~ **Technology & Maintenance** will be paid directly to the Approved technology vendor by you to cover the cost of monthly technology licensing, website hosting, digital marketing applications and our C.R.M. The creation, support and maintenance of the website is to be paid by you and includes; email and mailing list accounts setup, training and maintenance and all other technology support costs. We have established our own website using the NACP trademarks and our domain name (NaturalAwakenings.com) and require you to use our website as your exclusive website and pay us a fee for providing and maintaining the website (See Franchise Agreement, Sections 6.5 and 7.11).
4. ~~4.~~ **National Advertising.** NACP may establish a National Advertising Fund in the future. The purpose of the National Advertising Fund and regional cooperatives is to pool advertising money of NACP franchisees so as to achieve greater benefits for all in promoting the Trade Name and Marks.

Upon implementation, you will pay a monthly contribution of one percent (1%) of the Gross Revenues for the preceding month monthly to the National Advertising Fund, paid in the same manner as the Royalty Fee. (See ITEM 11 and Franchise Agreement, Section 6.10)

5. ~~5~~ **Additional Training.** We will provide initial training for the operation of the NA business at no charge. You may request additional training for his/her designated representative, hired manager or contracted graphic designers at the next scheduled NACP training program if space is available. You will pay NACP \$1,500.00 per person attending the additional training session. You are responsible for travel, accommodation and out-of-pocket expenses related to attending the training. This training does not include the general training for personal computers. You are required to have, prior to your opening, a full operational understanding of the personal computer and software. There may be a fee related to this training, but it will be paid directly to the vendor/trainer (See Franchise Agreement, Section 6.3).

During the course of your NA business, NACP will provide ongoing training for the support and development of their NA magazine businesses. NACP requires that you attend and participate in these ongoing trainings. NACP, at its discretion, may deliver these trainings through the use of tele-conferencing, web or internet communication systems or physical attendance at a location to be determined by NACP. You are responsible for the expenses of travel, accommodations and any out-of-pocket costs necessary to allow you to attend these sessions. NACP requires that you attend the NACP Owners Conference at least once every 2 years. These conferences will be held at locations to be determined by NACP. The conferences are produced to include, but are not limited to, training, new product release announcements, and support to all NA magazine franchise owners. You are responsible for the cost of attending these conferences to the extent that travel, accommodations and any out-of-pocket expenses will be associated with your attendance (See Franchise Agreement Section 7.7).

6. ~~6~~ **Renewal.** When you renew your franchise agreement, NACP will not charge you a renewal fee, however, you will be required to accept the terms of the then current Franchise Agreement at the time

you renew (See Franchise Agreement, Section 3.6).

7. ~~7~~ **Renewal Admin Fee.** When you renew your franchise agreement, you will pay \$850 to NACP for NACP's legal and administrative expenses in connection with the Renewal (See Franchise Agreement, Section 3.6.4).

8. ~~8~~ **Transfer Fee.** NACP charges a transfer processing fee of \$7,500 if you transfer your franchise to a third party This fee compensates us for costs we incur to process the transfer, including administrative, legal and personnel costs. (See Franchise Agreement, Section 6.8).

9. ~~9~~ **Franchise Agreement Amendment Administration Fee.** A fee assessed any time we must modify your Franchise Agreement due a request by you. The fee shall cover all costs incurred by us as a result of this request, which shall be no less than \$500.00 per modification. This fee is non-refundable and to be paid to us at the time of execution of the Franchise Agreement Amendment.

10. ~~10~~ **Convenience Fee.** We offer you the opportunity to pay any fees due to us by credit card. Because we are charged a fee by the credit card processor to offer you this convenience, we will charge you ~~33.99~~ 33.99% of the amount you pay using your credit card at the time of payment. We can increase this fee to reflect increases in the fees charged to us to process credit card payments. (See Franchise Agreement, Section 6.2.2).

11. ~~11~~ **Late Fee and Interest.** If any amounts owed to us are not paid by the payment due date, any such past due amount shall bear interest at the total rate of Five Dollars (\$5) per day plus one and one-half percent (1.5%) per month.
12. ~~12~~ **National Advertising Default Fee.** If you fail to include a National Advertiser's advertisement in your publication without our prior written approval or you fail to include ~~any~~ of the advertisements we require you to include in your magazine, we have the right to debit your Bank Account for the amount due on the day that Royalties are due and payable.
13. ~~13~~ **Insurance Default Fee.** If you fail to purchase the required minimum insurance, we can debit your Bank Account to reimburse us for the insurance premiums, plus an administrative fee of \$100 per month.
14. ~~14~~ **Attorney Fees** The prevailing party in any legal proceeding between NAPC and you will have its attorney's fees and costs paid by the other party in such legal action (See Franchise Agreement, Section 24.1).
15. ~~15~~ **Audit.** If NAPC audits your franchised location and finds that you have underreported Gross Revenues by 5% or more, or the audit is caused by your failure to provide certain supporting records or reports to NAPC, then you will be required to pay the costs of the audit. You will also be required to pay interest on past-due amounts as per #5 above (See Franchise Agreement, Section 9.1).
16. ~~16~~ **Additional Services.** NAPC may make our personnel available to you on an exception basis at its reasonable discretion for extended support and additional services beyond the scope of Franchisor's obligations to Franchisee, including but not limited to accounting services, editorial services (ex: writing, editing, proofreading), magazine production services (ex: magazine layout, graphic design for advertisements, etc.), marketing and graphic design services (ex: customization of market documents beyond standard provided by NAPC), website management services (ex: uploading content other than POP to the Franchisee's website), technical support, sales and/or business coaching, extended/repeat training on items for which initial training was provided, general training for personal computers, and

other prerequisite subject matter of which you are required to have, prior to your opening, a full operational understanding, and miscellaneous operational support beyond the scope of Franchisor's obligations. We will provide, included in your franchise fee, initial training for the operation of the NA magazine and business; specific services and premium support for the first 3 months of publishing your NA magazine; and a reasonable level of ongoing support and guidance, making our personnel available to you for consultation and assistance at NAPC's sole discretion at no additional cost. (See ITEM 5, ITEM 11 and Franchise Agreement, Section 4.1, 4.2, and 4.3). You may request Extended Support and/or Additional Services from NAPC for a fee, in the event that you should have a need for such during the term of the agreement. If resources are available by NAPC at our discretion, we may agree to provide support or services beyond the scope of our obligations. You will pay NAPC \$75 per hour for each type of extended support and/or additional service provided. In addition, if NAPC incurs any travel, living or incidental expenses providing Extended Support and/or Additional Services to you, you will be responsible for the costs. Invoices are payable to NAPC at the time services are rendered.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPENSE	ESTIMATES LOW	ESTIMATES HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Initial Franchise Fee	\$49,500	\$49,500	Cashier Check	At signing	NAPC

EXPENSE	ESTIMATES LOW	ESTIMATES HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
See Note 1			or as determined by NAPC		
Travel Expenses and meals while training See Note 2	\$300	\$1,500	As required	As incurred	Vendors
Furniture, Fixtures, Racks & Equipment See Note 3	\$2,000	\$6,750	Check on order	Before opening	Vendors
Additional Funds – first 6 months See Note 4	\$10,000	\$60,000	As required	As incurred	Various
Additional Misc. Fees & Expenses See Note 5	\$1,500	\$2,800	As incurred	Before Opening	Various
TOTAL See Note 6	\$63,300.00	\$120,550.00			

All fees in the table above are approximate based on the most recent suggested retail pricing from the manufacturers and vendors. These prices do not include freight from these vendors to your location.

Notes to Item 7

1. Initial Franchise Fee will be payable by you upon execution of the Franchise Agreement and your approval by us. The Franchise Fee is fully earned and non-refundable. The Initial Franchise Fee includes your business accounting software, Promotional/Sales aids package, printed marketing materials package, access to historical editorial archives, Cover art archives and marketing materials archives and graphic design, editorial support and layout of your magazine for the first three (3) months.
2. If you are a new or transferee franchisee, you must travel to our corporate headquarters in Naples, Florida, or other place we designate, to receive the required training. You will be responsible for the cost of transportation, hotel and meal expenses during training.
3. If you already have a home computer, you probably have everything you need to run the accounting and administrative functions of your business. The number represented as LOW assumes you already have a computer and will NOT perform the graphic design and layout of your magazine (hired outside). If you do not have a home computer, you can purchase a standard personal computer for under \$800. If you WILL perform the graphic layout of your magazine, NAPC will specify for your direct purchase the required computer hardware and software for your magazine layout. Franchisees who do not have office furniture and basic computer may purchase their furniture, fixtures, equipment and distribution racks from any legitimate distributor. These include; office furniture, computer hardware and software, desks, chairs, file cabinets, etc. as needed. The number represented as “High” includes all required computer hardware, software, furniture and racks.
4. You will need operating and working capital to support the ongoing expenses of your business as well as your living expenses (if your Natural Awakenings magazine is your only source of income) during the first 6 months, such as payroll, utilities, rent, etc. New businesses often generate a negative cash flow. We believe that the amount estimated will be sufficient to cover

ongoing expenses during the start-up phase of business; however, we provide no assurances that additional operating or working capital will not be necessary during this initial start-up phase.

5. This miscellaneous category includes any business licenses, temporary labor and supplies, insurance, and other misc. expenses.
6. In compiling this list of expenditures, we relied on our experience involving NA Businesses and data from a sampling of recently opened NA Businesses. The amounts shown are estimates only and may vary for many reasons including the size of your Territory, your capabilities, where you locate your NA Business, and your business experience and acumen. For planning purposes, please note that most costs and expenses listed in this Item 7 are not within our control and are affected more by general economic conditions than our actions. This does not include any personal living expenses, your compensation, royalty or marketing and promotion fund contributions. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise. We ~~do not~~ offer direct financing to you for ~~any item~~your Initial Franchise Fee (see Item 10). All, however, if you choose not to use our direct financing for the Initial Franchise Fee, all or part of your investment may be financed by a bank or other lending institution on terms we cannot estimate. Once you sign the Franchise Agreement, no payment you make to us is refundable.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Supplies and Suppliers

You must operate the NA Business according to our System standards. System standards include the matters in the Operations Manual and they may regulate among other things, the types, models and brands of required equipment, signs, stationary, promotional materials and other items necessary to operate the NA Business. We do not require you to purchase products from us. We provide all branding specifications to be used by you whenever branded products are purchased. Vendors that you purchase from must use our approved branding specifications. We do not have an affiliate that is a supplier of

products or services to us or any franchisee. Currently, neither we nor any of our affiliates are approved suppliers or the only approved suppliers of any good or service. Neither we nor any of our officers or principals owns an interest in any of our suppliers.

Any item used in the NA Business must conform to our established standards and specifications. We apply the following general criteria in approving a proposed supplier:

1. Ability to provide sufficient quantity of product;
2. Quality of products and/or services at competitive prices;
3. Production and delivery capability; and
4. Dependability and general reputation.

We may revoke approval of a supplier if a supplier no longer meets these general criteria. You will receive notice of our approval or disapproval of a proposed supplier within 30 days of our receipt of all pertinent information.

If you would like to use any product, material, equipment or supply or purchase any products from a supplier not on either of these lists, you must obtain our prior written approval. In that case, you must notify us and submit to us all information, specifications and samples that we may request regarding a supplier, service or product proposed by you. We may require that our representatives be permitted to

inspect the proposed supplier's facilities and that samples from the proposed supplier be delivered to us for evaluation and testing. We have the right to determine whether such supplier's goods or products meet the System standards and our specifications, and may approve or disapprove any proposed supplier. We will typically provide response to such written request within 30 days from the date we receive your written request and the necessary items we require for review. Although products, services or suppliers may be approved by us, we and/or our affiliates expressly disclaim all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to products, services, fixtures, furniture (including without limitation any required computer systems), signs, stationary, supplies or other approved items sold to or provided to you by us or any third-party. We reserve the right to designate exclusive suppliers, the right to designate us or our affiliate(s) as an approved or exclusive supplier, and the right to earn fees on Franchisee purchases from suppliers. We do not charge you a fee to obtain our approval for a supplier.

Standards and Specifications

You are obligated to purchase items that meet our minimum guidelines, standards and specifications. Our guidelines, standards and specifications may impose minimum requirements for quality, uniformity, design and appearance. Those will be communicated to you in our Operations Manual or other communication used in our System. Presently, we have established guidelines, standards and specifications for all advertising, promotion and logo use. You must adhere to our guidelines, standards and specifications for content, size, color paper stock and typeface. You must publish a minimum of 5,000 copies of your Natural Awakenings Magazine each month for the first six (6) months and 7,500 copies of your Natural Awakenings Magazine each month for the seventh and all other months of the Initial Term and each Renewal Term. [Your magazine must also be available in a digital format on your website.](#) All advertisements are subject to our approval or disapproval and we must be given at least 10 business days to review your advertisements. If we or our designated agent fails to respond to you in 10 business days, then such advertisements will be deemed to be approved by us. In addition, your insurance policy must meet our minimum specifications as prescribed in Item 6. We will also provide you with an array of operating forms and other supplies which you will reproduce and must use in the

operation of your NA Business, as defined within our Operations Manual and other materials.

Computer Hardware and Software

You are required to purchase and utilize computer hardware and software as more fully described in Item 11 of this Franchise Disclosure Document.

Insurance

Minimum Standards and Limits for Certain Types of Insurance Coverage. We prescribe minimum standards and limits for certain types of insurance coverage. You should seek counsel on any insurance coverage above and beyond these minimums to ensure your business is covered properly. We may modify the required minimum limits of insurance coverage from time to time by written notice to you, by means of supplements to the Operations Manual or otherwise. Upon receipt or attempted delivery of such written notice, you must immediately purchase insurance conforming to the newly established standards and limits we prescribe. You must obtain and keep in force throughout the term of the Franchise Agreement and for a period of one (1) year from the date of the last delivery of Services hereunder, policies of insurance providing the following coverage, issued by an insurer with a minimum rating of A by A.M. Best:

- a) Commercial general liability insurance and contractual liability insurance with a minimum limit of One Million Dollars (\$1,000,000) combined single limit coverage per occurrence. Such insurance may not have a deductible or self-insured retention of over Five Thousand Dollars (\$5,000).

- b) Professional liability insurance in the coverage amounts, if any, required by applicable state law or by NAPC from time to time in its reasonable discretion.
- c) Fire and extended coverage insurance on your Franchised Business and property in an amount adequate to replace both the Office and the property in case of an insured loss.
- d) Business interruption insurance in sufficient amounts to cover the rental of the Office, previous profit margins (in order that we receive the monthly payments which would have been due were it not for the interruption), maintenance of competent personnel and other fixed expenses during the life of the business interruption.
- e) Workers' compensation and employer's liability insurance in the amount required by statute, unemployment insurance and state disability insurance (as required by law).
- f) Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement.

Additional Insureds. All policies are to contain language making us an additional insured as our interest may appear, except for workers' compensation coverage, for Claims relating to, arising out of, or made in connection with the Franchise Agreement.

Certificate of Insurance. You must submit a certificate of insurance or coverage letter to us, on or before the date the Franchised Business is open for Business and thirty (30) days prior to the execution of any Renewal Agreement or upon our request. The certificate(s) of insurance or coverage letters delivered to us will specify the dates such coverage expires and provide further that you must provide thirty (30) days prior written notice to us of any cancellation of coverage, material reduction in the amount of coverage or elimination of coverage.

Miscellaneous

There are currently no purchasing or distribution cooperatives. We may negotiate discounted group rates, as we deem appropriate, for purchases of office supplies, printing, and other items necessary for the operation of the NA Business. We currently have supply purchase agreements in effect for items including office supplies, insurance, payroll services, background checks, answering services, printing, and training.

In ~~2019~~2020, we received \$~~3,100,422,206.94~~ from Constant Contact for franchisees who use Constant Contact's services. We have received no other revenue or other material consideration from any suppliers as a result of purchases by you or other franchisees during ~~2019~~2020. We have the right to receive revenue or other material consideration from any suppliers as a result of purchases by you or other franchisees; however, we may choose to pass through to our franchisees certain revenue received from suppliers. If you choose to purchase products from us, you must reimburse us for any small administrative fee between 5% and 10% depending on the items purchased whenever you order through us.

We estimate that approximately 67% of your expenditures and purchases in establishing your NA Business and less than 10% of your expenditures on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which supplies or suppliers we must approve, require you to use, or which must meet our standards or specifications).

For our fiscal year ended December 31, ~~2019~~2020, our total revenue was \$~~858,764~~589,778. We did not receive any revenues from franchisees for purchases of services, lease and products from franchisor. We do not have any Affiliates that derive revenue from purchases of services, leases and products. We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional businesses) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved vendors 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 Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition of lease	Not Applicable	Item 11
b. Pre-opening purchases/leases	Section 7.9	Items 7 and 11
c. Site development and other pre-opening requirements	Not Applicable	Item 7 and 11
d. Initial and ongoing training	Section 4.1	Item 11
e. Opening	Section 7.1	Items 11
f. Fees	Section 6	Item 5, 6 & 7
g. Compliance with standards & policies/ Operating Manual	Section 7.9	Item 11
h. Trademarks and proprietary information	Section 14	Item 13
i. Restrictions on products/services offered	Section 7.9	Items 8
j. Warranty and customer service requirements	Section 7.11	Item 15.3
k. Territorial development and sales quotas	Section 3.3	Item 12
l. Ongoing product/service purchases	Section 4.3	Items 8
m. Maintenance, appearance & remodeling requirements	Not Applicable	None
n. Insurance	Section 10	Items 7 and 15
o. Advertising	Section 8	Items 6, 11 & 12
p. Indemnification	Section 11	Item 15
q. Owner's participation/management/staffing	Section 7.5	Item 15
r. Records/reports	Section 9	Item 6, 11 & 12
s. Inspections/audits	Section 7.15	Item 6 and 11
t. Transfer	Section 18	Item 6 and 17
u. Renewal	Section 3	Item 17
v. Post-termination obligations	Section 19.5	Item 17
w. Non-competition	Section 13	Item 17
x. Dispute resolution	Section 22	Item 17
y. Other	None	None

ITEM 10 FINANCING

We offer qualified franchisees the opportunity to pay part of the Initial Franchise Fee in installments. The term of payments will depend upon our evaluation of your creditworthiness. [The Promissory Note must be personally guaranteed by individual Guarantors as well as the Franchisee.](#) The following table includes the options for the terms of Promissory Note. [The Promissory Note does not require the franchisee to waive defenses or other legal rights and does not bar the Franchisee from asserting a defense against the Franchisor or any assignee.](#) See Exhibit E for a sample of the Promissory Note you will be required to sign if we offer you this opportunity.

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Franchise Fee	NAPC	\$25,000	\$24,500	4	4%	\$533.19	None	None	Outstanding balance of Note and all accrued and unpaid interest	Termination of Franchise Agreement
Initial Franchise Fee	NAPC	\$25,000	\$24,500	5	4%	\$451.20	None	None	Outstanding balance of Note and all accrued and unpaid interest	Termination of Franchise Agreement
Initial Franchise Fee	NAPC	\$15,000	\$34,500	6	7%	\$588.19	None	None	Outstanding balance of Note and all accrued and unpaid interest	Termination of Franchise Agreement

Other than for the Initial Franchise Fee, we do not offer direct or indirect financing. We do not guarantee your note, lease or other obligations. We [have offer only direct financing for the Initial Franchise Fee; however, we retain](#) the right to sell, assign, transfer or grant a security interest in the Promissory Note and any amounts you owe to us and to delegate the right to collect such amounts to third parties.

ITEM 11 FRANCHISOR'S OBLIGATIONS

Except as listed below, NAPC is not required to provide you with any assistance.

Before You Open Your Business, NAPC Will:

Site Requirements: NAPC does not have any requirements for the location or appearance of your office space. We do not need to approve your site. We recommend you operate from your home office (See Franchise Agreement, Section 5).

NAPC will define and designate your territory (See Franchise Agreement, Section 3).

As further defined in the Operations Manual, NAPC will assist in arranging the ordering and delivery of magazine production and editorial services for the first three months. (See Franchise Agreement, Section 6.4)

If you do not have a computer or office furniture, NAPC will provide a list of furnishings, fixture, equipment, distribution racks, computer hardware and software and supplies for your direct purchase to be used in your NAPC business (See Franchise Agreement, Section 4.2).

NAPC provides an initial training program for you and your designated agent, (Franchise Agreement, Section 4.1)

Operations Manual: NAPC, upon request, will consider loaning you our operations manuals (collectively “the “**Manuals**”), proprietary business and advertising materials and other proprietary materials that we may publish and distribute to you periodically. NAPC will make the Operations Manual available to you once your application is approved and your initial franchise fee is paid and the franchise agreement is executed with all related Exhibits. (Franchise Agreement, Section 4.6)

Website. NAPC will maintain its proprietary website and may assist Franchisee with content for Franchisee’s website. We must approve your website prior to making the site available to the public. (Franchise Agreement, Section 4.4)

Computer: We require you to use a computer to operate your NAPC Business; however, you can use an existing computer. Windows or Apple products can be utilized for compatibility of advertising and creative processes between our advertisers and our printers, graphic designers and creative industries. If you do not have a home computer, you can purchase a standard personal computer for under \$800.

We will provide complete specifications for your direct purchase of required computer hardware and software. The compatible computer requirements, as further defined in the Operations Manual, include hardware to accommodate required storage space with color printers. The specified computer hardware and software are required for each franchisee to have a common set of tools for compatibility of systems and to facilitate our support of your systems. (Item 7 includes the estimated costs of all hardware and software) (See Franchise Agreement, Section 7.10)

If you are producing your own Natural Awakenings magazine files in layout and preparation for the printer, you also must meet the specifications listed in the Operations Manual, including, but not limited to, a personal computer or laptop, a scanner, a printer, the most current version of Adobe Creative Suites and the most current version of Microsoft Office. We estimate your initial costs for all computer hardware and software will ranging between \$2,500 and \$4,000. Additionally, we estimate your on-going annual hardware and software maintenance costs will range between \$3,000 and \$5,000.

None of the required software is proprietary, however, if we find that it will prove economically or systemically beneficial to you and to us, we may require you to add memory, ports, accessories, peripheral equipment and additional, new or substitute software or hardware as we feel necessary to improve the performance of the Natural Awakenings System.

If we find it will provide economically or systemically beneficial to you and to us, we may require you to upgrade or modify your computer, as necessary, to ensure that your computer system is sufficiently compatible with our computer system such that your computer systems may communicate electronically with our computers. We will notify you in writing at least sixty (60) days in advance of any such change in requirements.

The franchisor will have independent access to the information that will be generated or stored in any electronic cash register or computer system. The data that will be generated or stored in the system will be customer information, sales information and logistical magazine printing volume and other figures related to the operation of the franchise. The franchisor may access all information about the operation of your NA Business, including customer and sales information at any time. There are no contractual limitations on the franchisor's right to access the information.

At some time in the future, Natural Awakenings may design a propriety software system for use throughout our franchise system. You must purchase from us any proprietary software whenever we develop it and release it to use system-wide. You will be notified in writing at least sixty (60) days in advance of any such requirements. You will receive the best prices and terms that we can establish at that time.

Computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. We have taken reasonable steps to ensure that these problems will not materially affect the System. We do not guarantee that information or communication systems supplied by us or our suppliers will not be vulnerable to these problems. You are solely responsible for protecting yourself from these problems. You must also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, are reasonably protected. This may include taking reasonable steps, including steps that we may require, to secure your systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

During the Operation of your Franchised Business

You will have access to information that will guide you through the operation of your business based on our system (Franchise Agreement, Section 4.3). In addition, we will furnish to you:

1. On-going consultation in all aspects of operating your Natural Awakenings business for the term of this Agreement and any subsequent renewals. Throughout the term of the Agreement, NAPC will be available for telephone consultation on any aspect of your Natural Awakenings magazine business. (See Franchise Agreement, Section 4.3)
2. Assistance in providing sales materials and consultation to assist you in obtaining advertisers for your magazine (See Franchise Agreement, Section 4.2 & 4.5).
3. Provide you with monthly editorial materials (Publishers Options Packages (POP)) and Cover Art options that you will use in the production of your magazine [and website](#) (See Franchise Agreement, Section 7.2).
4. NAPC will make our personnel available to you at its reasonable discretion for production assistance and other consultation. NAPC provides this assistance at no additional charge. If NAPC incurs any travel, living or incidental expenses providing consultation to you after you have opened your business, you will be responsible for the costs (See Franchise Agreement, Section 6.3).
5. In the event that you should require assistance with the layout of your NA magazine, NAPC will provide graphic design and/or production assistance through the NAPC franchise support staff. NAPC will charge you \$1,500.00 per issue for this service. You may find another approved graphic designer/layout person to layout your Natural Awakenings magazine. If we find it necessary to

increase our layout fee throughout the term of the agreement, you must agree to the increased fee if you use NAPC layout services (See Franchise Agreement, Section 6.4).

6. Introduce new services and methods, which we may have discovered or have developed for our franchisees (See Franchise Agreement, Section 7.4).

7. Formulate and implement marketing, advertising and promotional programs using the merchandising, advertising and research data and advice that we may develop for use in your local market, and may provide supervision, assistance, or services to you before the opening of your business (See Franchise Agreement, Section 7.2).

8. ~~Assist~~Offer general guidance in the financial and daily operation of the Franchised Business including its accounting and record keeping functions at NAPC's reasonable discretion (See Franchise Agreement, ~~Section 7.2~~).

~~9. Assist you in the hiring, training and retaining of your employees (See Franchise Agreement, Section 4.1 7.24).~~

9. ~~10.~~ Provide assistance in the overall operating processes and any problems that you may have (See Franchise Agreement, Section 4.2).

10. ~~11.~~ Website: Provide content, graphics and images for your website.

11. ~~12.~~ Operations Manual Updates: NAPC will continue to provide you with Operations Manual updates, in various forms such as our internal website (Intranet) system with access to continuing education and training tools designed for easy access. The Natural Awakenings Intranet system is an extension of the Operations Manual as it provides access sample business forms, editorial and marketing tools, and administration methods developed by NAPC for use in your Natural Awakenings business. NAPC will revise the Manual periodically to conform to the changing needs of your particular franchised business and will distribute up-dated pages containing these revisions to you. Prior to the execution of

your franchise agreement, you may review the Operations Manual, at a mutually convenient time and place, under the supervision of NAPC's representative, before signing the Franchise Agreement. (See Franchise Agreement Section 4.6.3)

The NAPC Operations Manual and its online version are not to be duplicated or distributed to any person outside of your NAPC staff. Any violation of our proprietary rights will be cause for your default of the NAPC franchise agreement.

Opening

NAPC estimates that it will take no more than six (6) months after you sign a franchise agreement to open your Natural Awakenings business and no more than twelve (12) months before you publish your first Natural Awakenings magazine and establish your website. The factors that affect this time are the ability to attend training program or difficulty in arranging financing. You must open your business within 6 months of signing your franchise agreement unless approved in writing by NAPC.

Advertising Services – National Advertising Program:

1. NAPC does not have requirements for you to place local advertising outside of your own Natural Awakenings magazine.

2. You will prepare and place your own local advertising for obtaining advertisers, at your own cost, using the specifications and standards for approved advertising located in your operations

manual (See Franchise Agreement, Section 6.6). You may request NAPC to furnish you with advertising samples that may have been previously used. Any material that you prepare to advertise your NA magazine, must be approved by NAPC prior to its use.

3. NAPC has the right to sell up to two pages of advertising in your magazine and to keep all of the Revenues from these advertisements. In addition, NAPC has the right to market and administer to national and regional advertising clients for the benefit and placement in multiple issues/NAPC franchises. Franchise owners are prohibited from joining together to solicit national advertiser with special discounts, placements, design/layout or services of any kind. This is the exclusive right of NAPC, except where written permission has been granted by NAPC. NAPC will pass on to you the Revenues from these National/Regional Advertising agreements less an NAPC commission of 25% to recover NAPC costs of implementing and soliciting these National & Regional Advertisers. ([See Franchise Agreement, Section 6.2.3](#))

4. As a Natural Awakenings magazine owner, you are required to participate in the National/Regional Advertising program and may be offered the opportunity to participate in other marketing and advertising programs under terms and conditions we require. You are subject to a fee and termination if you fail to run an advertisement required by the National or Regional Advertising program. See Item 6.

Advertising Programs

Local Advertising

You will have no requirements to advertise outside of your Natural Awakenings magazine. There is no requirement to participate in a local or regional advertising cooperative at this time. If you plan to advertise outside of your Natural Awakenings Magazine, you may only use advertising furnished or approved in writing in advance by us. NAPC do not pay for any advertising, identification or promotion by you. You must conduct all advertising which utilizes the Proprietary Marks or refers in any way to the NA Business in a dignified manner, and in a manner calculated to avoid fraud, deception, misrepresentation and/or embarrassment, shame, disparagement or liability of any type or nature whatsoever accruing to us, you, the NA Business, the NAPC System, or NAPC Affiliates. You must conform all advertising to all applicable laws, rules and regulations as well as the standards, specifications and requirements in the Operations Manual. If we discover that you have not done so, we will notify you in writing of the facts, which we believe have given rise to a breach. If you do not cure the breach within three (3) days following delivery of the notice, then we may terminate or remove any unauthorized advertising at your expense. We also will be entitled to terminate the Franchise Agreement immediately upon notice to you.

Except for local advertising materials, programs and campaigns furnished by you to us, and for which we have granted our approval, you must submit to us for approval, before use or dissemination, copies of all proposed advertising placed outside of your Natural Awakenings magazine.

National Advertising Fund.

Except for the National Advertising Program described above, we do not currently require you to participate in any national advertising for the benefit of the entire franchise system or to pool advertising money of NAPC franchisees to achieve greater benefits for all in promoting the Trade Name and Marks (a “**National Advertising Fund**”) and, presently, there is no charge to participate in the National Advertising Program. However, we ~~have~~[reserve](#) the right to require you to participate in National Advertising Fund and you must agree to participate as follows:

1. When and if we establish the National Advertising Fund, you must contribute to the National Advertising Fund. The amount of your and other franchisees' contributions to the proposed cooperative will be 1% of your monthly Gross Revenues.

2. Currently, we do not have an Advertising Council. We reserve the right to establish an Advertising Council with a Board of Directors consisting of up to 3 franchisees to monitor and design the spending of advertising dollars on behalf of all franchisees. National Advertising Fund Board Members will be elected at-large by the franchisees. The 3 franchisees with the largest number of votes by the franchisees will be elected to the Board. Board Members will serve 2 -year terms and will determine implementation and modification of the Fund by simple majority vote. Franchisees will be notified in writing at least ninety (90) days in advance of implementation of the Fund.

3. Our-owned and affiliated NA Businesses will contribute to the National Advertising Fund on the same basis as franchisees.

4. We will administer the funds contributed to the National Advertising Fund. We will have the right to be reimbursed for our out-of-pocket expense out of the National Advertising Fund and to be paid a reasonable administrative fee for time and efforts in administering the Fund. This administration fee will not exceed 20% of funds collected.

5. The funds contributed to the National Advertising Fund will not be audited. Unaudited financial statements will be available for review by franchisees within ninety days after the end of each calendar year. An accounting of the advertising contributions may be obtained upon reasonable written request from Franchisee.

6. Since no funds have been collected for the National Advertising Fund during our most recently concluded fiscal year, we have not spent funds on production, media placement, administrative expenses, or any other use.

7. If not all of the National Advertising Funds are spent in a fiscal year in which they were paid, we will use the remaining amount in the following fiscal year.

8. We will not spend any of the advertising funds to solicit new franchise sales.

Training Programs

NAPC will conduct your initial training via a comprehensive "New Publisher Training Package" to educate you regarding how to operate your Natural Awakenings magazine business (See Franchise Agreement, Section 4.1). The program is administered by our Publisher Training Manager who, as a former Natural Awakenings publisher/franchisee, is proficient in every aspect of bringing a publication to print. Because of the variety of skillsets and experience that people have when they become franchisees, there is no predetermined number of hours for initial training. Everything is customized according to each new franchisee's needs within the scope of our program.

Training will be held at a location(s) of NAPC's choice prior to the opening of your business. Pre-classroom training modules and any post-classroom training modules that may be necessary are provided remotely via the Internet, Teleconference and Videoconference. Classroom training is typically conducted at NAPC corporate headquarters or at a facility in reasonable proximity to our headquarters, but in certain limited circumstances may be conducted on-site at the franchise location and/or remotely via Internet and Videoconference modules or in any combination of the three, at NAPC's sole discretion. We may also develop additional web-based/virtual training techniques and formats for delivery of any or all modules of the initial training. The Training Program is conducted approximately every four months or three times per year, subject to change at NAPC's sole discretion due to changing business needs. If

any travel, living, or incidental expenses are incurred by you or your employees, you will be responsible for those costs.

You must appoint a Responsible Agent who will personally and directly supervise the operation of the Franchised Business and serve as the Business Manager. The Responsible Agent must attend and successfully complete the Natural Awakenings training program. If you are not directly involved in the management of your Natural Awakenings magazine business, NAPC requires that you hire a Business Manager who will be responsible for all day-to-day administrative and management functions related to the Franchised Business and who must attend and successfully complete the Natural Awakenings training program. If you have more than one Business Manager responsible for the production of your Natural Awakenings magazine, each are required to attend and successfully complete our training program.

The New Publisher Training Package consists of pre-classroom training, classroom training and often post-classroom training. The table below represents the major training components for operation of the NA franchise. There are also recurring virtual meetings (monthly, weekly or other recurring basis), both topic-specific meetings and general publisher support discussion groups, which provide ongoing training and support for new and existing franchisees.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-Site/On-The-Job Training	Location
(Pre-Classroom Package of Training Modules) Orientation: Introduction to Natural Awakenings—History & Objectives; Magazine Overview; Web-Based Tools of the Trade Overview	1-4	0	Online/Remote
Introduction from Our Founder, Classroom Training Overview & Magazine Production Flow of Processes	2	0	Online/Remote
Magazine Layout & Design	1-3	0	Online/Remote and/or On-Site or NAPC
Advertising & Creative Design	.5	0	Online/Remote and/or On-Site or NAPC
Editorial Overview, Processes & More	1-3* <i>*additional ongoing training/coaching occurs remotely throughout launch period</i>	0	Online/Remote and/or On-Site or NAPC
Printing & Distribution	2-4	0	Online/Remote and/or On-Site or NAPC
Sales & Marketing	4-8	0	Online/Remote and/or On-Site or NAPC
Financial Overview: Accounting* & Tracking Your Business; Accounts Receivable Process, Reporting, Forms	1-3	0	Online/Remote and/or On-Site or NAPC

Subject	Hours of Classroom Training	Hours of On-Site/On-The-Job Training	Location
& Templates, Record Keeping & Data Management <i>*All business & tax compliance matters are the sole responsibility of the franchisee. Therefore, NAPC does not provide training designed to encompass federal/state/local business and/or tax compliance requirements</i>			
Tools & Technology	1–2	0	Online/Remote and/or On-Site or NAPC
Total	13.5–29.5	0	

All subjects taught by NAPC executives and trained production staff. Sharon Bruckman, Founder and Editor-in-Chief has 26²⁷ years’ general publishing experience and 21²² years as NAPC’s Franchisor. Sharon oversees and lends her expertise in many areas of the training.

Joseph Dunne, our Chief Operations Officer, trains on all aspects of advertising sales and provides ongoing sales coaching. Joseph has over 50 years' experience in general sales, B2B (business-to-business) sales and client account management. He has over 7 years’ experience selling advertisements in Natural Awakenings magazines of which he is also the publisher and business manager.

Melanie Rankin, our Publisher Training Manager, manages our training program and provides magazine production training, from content acquisition through printing, including, but not limited to, editorial, calendars, resource guide, layout, ad efficacy, organization and content management. She works side-by-side with new publishers for their first three issues, providing constant support and training. Melanie’s areas of expertise encompass 35+ years and include writing and editing, graphic design, program development and training, operations management, teaching, customer satisfaction and web press printing (her husband’s family business). She has a graduate degree in English, with concentrations in Composition Theory and Technical and Professional Communications. She taught Composition and Business Communications at Auburn University for 5+ years, serving as the department’s Model Instructor for drop-in students and professors interested in their program. She has 14+ years’ experience with Natural Awakenings, having served as Managing Editor, Magazine Layout Artist/Graphic Designer and other key positions for many of our Natural Awakenings franchises. Melanie is a former magazine owner who operated her own Natural Awakenings franchise for five years, four of which included two franchises.

~~Josh Pope, our Art Director, trains on working with prospective advertisers to create effective advertisements in the magazine. Josh has 12 years’ experience in graphic design, branding and advertising.~~

Heather Gibbs, our Assistant Director of Operations, trains on or oversees and directs training and support on the use of internal technology and communications such as our OneDrive file sharing site, Publisher Portal intranet, internal email distribution group systems and online publisher discussion forum. Additionally, Heather facilitates the New Publisher Classroom Training events, providing new franchisees with our web-based Policies and Procedures collection (Operations Manual) via intranet as

well as additional training materials, electronic file archives and other startup items. Heather has over 20 years' experience in operations management and working with technology, and has been onboarding and training new Natural Awakenings publishers since 2012.

Initial training is provided at no cost to you. If you purchased the Franchise from an existing owner and not us; then, the cost of the initial Training will be \$3,500. You must pay for travel and lodging to attend initial training at our Headquarters in Naples, Florida for at least 3 days.

You, your Responsible Agent and Business Manager must attend the initial training program within six (6) months after signing the Franchise Agreement and complete the initial training program to our satisfaction. You must begin operation of your Franchised Business within six (6) months of successfully completing initial training.

We may offer additional, ongoing training as needed by you. You may be required to participate in ongoing training that may be made available through tele-conference or internet training. There is no cost to you for ongoing training. If your trained management personnel are terminated and/or replaced, the new operations personnel may attend another of the regularly scheduled training course. There is a fee of \$1,500 per person to attend. You must pay travel, meals and lodging expenses.

Operations Manual

NAPC's web-based Operations Manual for Natural Awakenings franchise owners is a collection of materials made available online through the "Policies & Procedures" page of our franchisee Intranet. Its purpose is to provide the franchisee with critical information and guidance as to all aspects of developing, establishing and operating the Natural Awakenings franchise business.

In this way, we provide all franchisees with the policies and procedures they are expected to follow in order to ensure compliance with the operational requirements set forth by NAPC, pursuant to the Franchise Agreement.

Included therein are various written policies and general procedural guidance, as well as step-by-step functional procedures for performing certain duties. These may be provided in the format of written materials, eLearning modules such as videos and recorded training webinars, and other items accessible via Internet links provided within the subsections below.

NAPC may implement new policies and procedures as well as revisions and supplements to existing policies and procedures via this "Policies & Procedures" online resource (Operations Manual) at any time, as needed to conform to the changing needs of the Natural Awakenings franchise business system.

The Natural Awakenings "Policies & Procedures" (Operations Manual) are not to be duplicated or distributed to any person outside of the franchisee's business personnel without express written permission from NAPC. As with other proprietary information belonging to NAPC, items from our "Policies & Procedures" may be distributed to the franchisee's business personnel on an as-needed basis, only with execution of the NAPC-approved Confidentiality/Nondisclosure Agreement between the franchisee and their staff member.

Franchisees are asked to let NAPC know if they have any questions, concerns, or difficulty accessing our collection of Policies & Procedures.

We aim to bring more value to our Natural Awakenings franchise owners by providing this streamlined reference resource, making it easier to perform franchisee duties and adhere to our system standards, minimum guidelines and established specifications.

The Natural Awakenings Operations Manual includes all prescribed business system instructions including forms and procedures, instructional material for sales, administration and bookkeeping, special magazine publishing [and website](#) tools including Editorial, advertising design and magazine production. All training materials whether combined or separated, constitute the Manual and will be considered proprietary and confidential to the Natural Awakenings system (See Franchise Agreement, Section 4.6).

Section Number & Name	# Pages
Sales	134
Administration & Miscellaneous	10
Accounting	12
Editorial	107
Ad Design	80
Magazine Layout & Miscellaneous Production	14
Printing our Magazine	19
Distribution	8
Total Pages in Virtual Operations Manual (if printed in full)	384

ITEM 12 TERRITORY

Each NAPC franchise territory carries with it the right to establish and maintain one Natural Awakenings magazine business in a single language. The Addendum to the Franchise Agreement specifies that you are granted a Territory in which no other NAPC franchise in the same language will be established (See Franchise Agreement, Section 3 and Schedule 2). There is no minimum size to a Territory. Unless your Franchise Agreement is terminated due to your default, your rights are not dependent upon achieving any certain sales volume, market penetration or any other contingency.

You may not solicit advertising or accept orders from clients outside of your Territory, or use other channels of distribution, such as the internet, catalog sales, telemarketing or other direct marketing, unless you receive prior approval from us. You can distribute your magazine only in your Territory.

We have the right to solicit advertisers anywhere for advertising in your magazine through our National Advertiser Program where advertisers for products and services outside your territory may wish to target your readership. You must agree to accept and place this advertising in your magazine, unless we give you our written approval. Failure to do so allows us to charge you the National Advertising Default Fee. You must agree to the pricing offered to those National Advertisers. You must agree to the rules NAPC has set for the administrative process, including, but not limited to, timely reporting, acknowledgement and confirmation processes and invoice reporting. NAPC will bill the National Advertiser and remit to you the net of advertising rates charged less 25% sales and admin fee to NAPC.

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

You do not have rights or options to acquire additional franchises after executing a Franchise Agreement. You may apply for the right to operate additional Natural Awakenings Franchised Businesses under separate Franchise Agreements.

Your office must have adequate space to operate your NA Business. We must approve your office and any relocation of your office, in writing. We recommend that the office for the operation of your NA Business be in your Territory; but we do not require you to do so if you can demonstrate to our satisfaction that you can adequately service your Territory.

We reserve the right to use the Marks in alternative distribution methods inside and outside of your Territory, including maintaining a website that is available over the Internet. We can both use the Internet as a method of distribution. You will establish a website with the assistance of NAPC, that must meet our standards and specifications. We will provide you with approved content and graphics for your website. We are not required to compensate you for advertisements that appear on our website. In addition, we and our Affiliates have the absolute right to:

1. Develop other business concepts under other brand names, provided such concepts are not the same or similar to a Franchised Business, even if the locations for the concepts are within the Approved Territory;
2. Except as provided in the Franchise Agreement, and while we do not provide compensation to you, market, distribute and sell, on a wholesale or retail basis, goods or services under any of the Marks or other brand names, by direct sale, the Internet, mail order, infomercials, telemarketing or by any other method of marketing or distribution, even if such sales are made to customers, distributors or retailers who are located in the Approved Territory; and
3. Own, operate, manage, franchise and/or license other individuals or entities to own, manage and/or operate businesses that are not the same or similar to a Franchised Business in the Approved Territory.

ITEM 13 TRADEMARKS

NAPC claims proprietary rights in its Mark, Natural Awakenings Magazine. It bases its claim on first use of the Mark in the state of Florida and in national commerce. (See Franchise Agreement, Section 14 and Schedule 1)

The following chart lists the Marks that are registered with the United States Patent and Trademark Office (the “USPTO”):

Mark	Registration No.	Registration Date	Register
natural awakenings®	3988549	July 5, 2011	Principal
Natural Awakenings, Healthy Living. Healthy Planet	3939545	April 5, 2011	Principal

	5920574	November 26, 2019	Principal
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All required affidavits or renewals will be filed when they become due on any of the above Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; and any pending infringement, opposition, or cancellation proceeding regarding our Marks.

You must follow our rules when you use these marks. You cannot use any name or mark as part of your NA magazine business except for those which NAPC has licensed to you. You may not use the NA name and marks in connection with the sale of unauthorized products or services or in a manner not authorized in writing by NAPC.

NAPC has established a certain level of integrity and standard of service and quality; and you, therefore, agree that your use of this mark in any material, printed or electronic, must be approved by NAPC prior to any printing or publication anywhere.

NAPC provides artwork and articles for your use in producing your magazine. You must obtain NAPC approval, in writing, if any of your proposed content or material or advertising described above is not in accordance with the NAPC principles.

No agreements limit NAPC's right to use or license the use of NAPC's trademarks.

You must notify NAPC immediately when you learn about an infringement of, or challenge to, your use of our trademark. NAPC will take the action we think appropriate. While NAPC is not required to defend you against a claim against your use of our trademark, NAPC will reimburse you for your liability and reasonable costs in connection with defending NAPC's trademark. To receive reimbursement, you must have notified NAPC immediately when you learned about the infringement or challenge.

You must modify or discontinue the use of the marks if NAPC modifies or discontinues them. You must not directly or indirectly contest our right to our marks, trade secrets or business techniques that are a part of our business (See Franchise Agreement, Section 14.5).

NAPC does not know of any infringing uses that could materially affect your use of NAPC's trademarks.

In the case of any litigation or proceeding, NAPC will control.

You may not use any of the marks, magazine or trade name in conjunction with any other business, product or service or use the marks and magazine to endorse any product or service or business.

ITEM 14 PATENTS AND COPYRIGHTS

There are no patents (pending or otherwise) that are material to the Franchise. We claim copyright protection in many elements of the System including the design elements of our Mark, the content of our Manual, the content of our training programs, the content and design of our web site, computer software programs, and our advertising and marketing materials (our "Copyrighted Works").

These materials are considered proprietary and confidential and are considered our property, and you may use them only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which limit our right to use or license the copyrighted materials. We are not aware of any infringing uses which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any copyrights or you in connection with any copyrights.

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

You must acknowledge that your knowledge of the operation of a Natural Awakenings Franchise will be derived from information we disclose to you and that information, including the contents of the Manuals, is proprietary and confidential. You must agree that you will maintain the absolute confidentiality of all the information during and after the term of the Franchise Agreement, and that you will not use any of the information in any other business or in any manner we do not specifically authorize in writing.

You must operate your Business strictly in accordance with the Manual as it may be revised by the Company from time to time. You must at all times treat the Manual and the information in it as confidential, in accordance with the requirement of the Agreement.

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

You, your Designated Manager or another employee who has successfully completed NAPC's training program will be qualified to operate the business (See Franchise Agreement, Section 7.5).

You are an independent NAPC entity and not acting as an agent of NAPC (See Franchise Agreement, Section 11.1).

You must provide your advertisers with superior service and if there has been an error or omission in the placement of their paid advertisement, make reasonable efforts to satisfy the advertiser with replacement ad (See Franchise Agreement, Section 7.12).

Your Designated Manager and each individual who owns a 10% or greater interest in the franchise entity must sign a personal guaranty agreement (Franchise Agreement – Exhibit A) assuming the obligations of the franchise agreement and a confidentiality and non-compete agreement (See Franchise Agreement, Section 16.2.4).

Your Designated Manager and each individual who in such capacity that will require access, and will acquire knowledge of Confidential Information must sign a confidential information, nondisclosure and noncompetition agreement (Franchise Agreement – Exhibit B) assuming the obligations of the

franchise agreement and a confidentiality and non-compete agreement (See Franchise Agreement, Section 13.2).

Prior to the opening of your Natural Awakenings business, you will purchase and maintain, at your own expense, general liability insurance of at least \$1,000,000 and all insurance policies carried by you must name Natural Awakenings Publishing Corporation as an additional insured, as its interest may appear. A copy of each insurance policy that applies to your Natural Awakenings business shall be filed with NACP prior to the opening of your business. Upon renewal of all insurance policies carried by you for your Natural Awakenings business, you will forward to NACP a copy of the renewal policy. You must also maintain workers' compensation coverage and any other insurance that may be required by law in your territory (See Franchise Agreement, Section 10).

State, Local, or Federal laws may require you to obtain certain business licenses and/or permits for the operation of your Natural Awakenings franchise. Each state may differ in licensing and permit requirements for the services you will offer. It is your responsibility to research the requirements that apply to your specific territory, to provide us with a copy of your research and to operate your Natural Awakenings business in full compliance with them. All services provided by your Natural Awakenings franchise shall comply with State, Local, and/or Federal laws (See Franchise Agreement, Section 7.8).

Independent Contractor. You are an independent contractor. Nothing contained in the Franchise Agreement should be interpreted as a partnership, joint venture, employment or other relationship between us. You may not act as an agent for NACP. You do not have the authority to bind or obligate NACP in any way by any representation (See Franchise Agreement, Section 11.1).

Indemnification. Under no circumstances will NACP be liable for any of your acts, omissions, contracts, debts, expenses, or other obligations. You should indemnify and hold NACP, its Affiliates, assigns, designees, officers, directors, employees, agents, attorneys, shareholders, contractors, representatives and officials (collectively, the "Indemnitees") harmless against any such claim and the cost (including reasonable attorneys' fees) of responding to, defending, settling or paying each such claim arising, directly or indirectly, from, as a result of, or in connection with, your Natural Awakenings operation during and after the Term of this Agreement (See Franchise Agreement, Section 11.2).

ITEM 16 RESTRICTIONS ON WHAT YOU MAY SELL

There are restrictions set by NACP as to the nature of the advertising contracts that you sell. NACP requires you to sell advertising to vendors who sell or provide products or services ~~in alternative healthcare~~ aligned with the Lifestyles of Health and Sustainability (LOHAS) demographic, such as those related to sustainable living, "green" ecological initiatives, holistic and/or ~~are~~ natural or organic foods and other industries, health and wellness behaviors, alternative and/or integrative or regenerative healthcare. You may not offer or sell any service, program or product which is not a part of the NACP System, or which NACP deletes from the NACP System without NACP's express prior written approval.

NACP has the right to add additional authorized products and or services that you are required to offer. There are no limits on NACP's right to do so except that the investment you are required to make for equipment, supplies and initial inventory will not exceed \$5,000 per year.

There are restrictions set by NACP as to where you may distribute your Natural Awakenings Magazine. There are territory restrictions on soliciting advertising clients. You may not solicit service, advertise and offer your services, programs and products to any individual or entity outside of your Approved Territory without the written approval of NACP. You may not distribute your magazine outside of your Approved Territory without the written approval of NACP.

You may not join with other franchisees to offer regional or national advertisers' special rates for advertising in your magazine. The right to negotiate, establish and earn revenues/commissions from multi-territory advertisers for placements in multiple editions of Natural Awakenings magazine is further defined in the Operations Manual.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	3.6	Term is <u>75</u> years.
b. Renewal/extension of the term	3.6	For <u>12</u> additional <u>75</u> -year term <u>terms</u> subject to certain terms.
c. Requirement for you to renew or extend	3.6	Give notice, not be in default, then current Agreement. When renewing, you may be asked to sign an agreement with materially different terms and conditions than your original Agreement.
d. Termination by you	19.1	90 days' notice and fulfillment of obligations <u>subject to state law</u> .
e. Termination by us without cause	No provision	
f. Termination by us with cause	19	Only with breach.
g. "Cause" defined – curable defaults	19	7 or 30 days to cure.
h. "Cause" defined – non-curable defaults	19	Felony, competing with us, bankruptcy, use/offer unapproved equipment/services.
i. Your obligations on termination/non-renewal	19	De-identification, account current, assign <u>websites, domain names, email accounts and</u> phone numbers.
j. Assignment of contract by you	18.3	No restriction on our right to assign to company that assumes obligations.
k. Transfer by you defined	18	Transfer of ownership or assets.
l. Our approval of transfer by you	18	Requires transfer fee and we have the right to approve or deny all transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	18.5	New franchisee qualifies, transfer fee paid, signs current agreement.
n. Our right of first refusal to acquire your business	18.4	We have 1 st option to purchase your business at an agreed upon fair and equitable price.
o. Our option to purchase your business.	18	Acts of Default, 1 st Right of Refusal.
p. Your death or disability.	18.8	You must be assigned by estate to approved buyer within 6 months. Heirs must qualify.
q. Non-competition covenants during the term of the franchise	13	No involvement in any similar business <u>subject to state law</u> .

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
r. Non-competition covenants after franchise is terminated or expires.	13	No involvement in related magazine for 2 years and within a 75 -mile radius subject to state law .
s. Modification of the agreement	23	Modification only by agreement of parties in writing. Oral promises are not binding.
t. Integration/merger clause	24	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation.	22.3	Any dispute or claim relating to or arising out of the Franchise Agreement must be resolved exclusively by mandatory arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) or another arbitration service agreed to by the parties.
v. Choice of forum	22.4	Collier County, Florida (subject to applicable state law), except for claims arising under the Maryland Franchise Registration and Disclosure Law.
w. Choice of law	20	Florida law applies (subject to applicable state law) except that disputes regarding the Marks are governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

ITEM 18 PUBLIC FIGURES

NAPC does not use public figures to promote its franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performances 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 your 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 Sharon Bruckman at 4851 Tamiami Trail, Suite 200, Naples, FL 34103 or sharon@naturalawakenings.com, the Federal Trade Commission, and/or the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1: Systemwide Outlet Summary
For Fiscal Years ~~2017~~2018 to ~~2019~~2020**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change (+ or -)
Franchised	2017 2018	8376	7372	-104
	2018	73	67	-6
	2019	6772	6469	-3
	2020	69	53	-16
Company-Owned*	2017	1	1	0
	2018	1	1	0
	2019	1	1	0
	2020	1	1	0
Total Outlets	2017	84	74	-10
	2018	74	68	-6
	2019	6873	6570	-3
	2020	70	54	-16

**TABLE NO. 2: Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor or an Affiliate)
For Fiscal Years ~~2017~~2018 to ~~2019~~2020**

State	Year	Number of Transfers
Arizona	2017	1
	2018	0
	2019	0
Connecticut	2017	1
	2018	0
	2019	0
	2020	1
District of Columbia	2017	0
	2018	1
	2019	0
Florida	2017	1
	2018	0
	2019	2
	2020	1

State	Year	Number of Transfers
Georgia	2017	1
	2018	0
	2019	0
Illinois	2017	1
	2018	0
	2019	0
Indiana	2017	0
	2018	0
	2019	1
	<u>2020</u>	<u>0</u>
Michigan	2017	2
	2018	0
	2019	1
	<u>2020</u>	<u>0</u>
New Jersey	2017	0
	2018	1
	2019	0
	<u>2020</u>	<u>2</u>
New Mexico	2017	0
	2018	1
	2019	0
	<u>2020</u>	<u>0</u>
New York	2017	0
	2018	1
	2019	0
	<u>2020</u>	<u>2</u>
North Carolina	2017	1
	2018	0
	2019	0
Pennsylvania	2017	0
	2018	2
	2019	0
	<u>2020</u>	<u>0</u>
Tennessee	2017	1
	2018	0
	2019	0
Texas	2017	0
	2018	1
	2019	0
	<u>2020</u>	<u>0</u>
Washington	2017 2018	0 <u>1</u>
	<u>2019</u>	<u>0</u>
	<u>2020</u>	<u>0</u>
Wisconsin	2018	1 <u>0</u>
	2019	0
	<u>2020</u>	<u>1</u>
TOTAL	2017	11
	2018	7
		<u>8</u>

State	Year	Number of Transfers
	2019	4
	2020	7

**TABLE NO. 3: Status of Franchised Outlets
For Fiscal Years ~~2017~~2018 to ~~2019~~2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2017 2018	2 1	0	0	1 0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Alaska	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	0	0	0	0	0	0	0
Arizona	2017 2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Arkansas	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	0	0	0	0	0	0	0
California	2017 2018	2 2	0 0	0 1	0 0	0 0	0 0	2 1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	1	0	0	0
	2017 2018	1 1	0 0	0 1	0 0	0 0	0 0	1 0
Colorado	2019	0 1	0	0	0	0	0	0 1
	2020	1	0	0	0	0	0	1
	2017 2018	3 3	0	0	0	0	0	3 3
Connecticut	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	1	2
	2017 2018	3 3	0	0	0	0	0	3 3
Delaware	2019	3	0	0	0	0	0	3
	2020	0	0	0	0	0	0	0
	2017 2018	1 1	0 0	0 0	0 0	0 0	0 0	1 1
District of Columbia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2017 2018	1 11	0 0	0 0	0 0	0 0	1 0	1 11
Florida	2019	11	0	0	0	0	0	11
	2020	11	0	1	0	0	0	10
	2017 2018	1 11	0 0	0 0	0 0	0 0	1 0	1 11

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Georgia	2017	2	0	0	0	0	1	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Hawaii	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
Idaho	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Illinois	2017	3	0	0	0	0	1	2
	2018	2	0	1	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Indiana	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
Iowa	2018	10	0	0	0	0	0	10
	2019	10	0	0	0	0	0	10
	2020	0	0	0	0	0	0	0
Kansas	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Kentucky	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Louisiana	2017	3	0	1	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	1	0	0	0	1
Maine	2017	10	0	10	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Maryland	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Massachusetts	2017	1	0	0	0	0	0	1
	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	1	0	0	0	0	0	1
Michigan	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Minnesota	2017 2018	1	0	0	0	0	0	1
	2019	<u>1</u>	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2020	<u>1</u>	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Mississippi	2018	10	0	0	0	0	0	10
	2019	10	0	0	0	0	0	10
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Missouri	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Montana	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nebraska	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nevada	2017 2018	1	0	0	0	0	0	1
	2019	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2020	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
New Hampshire	2018	10	0	0	0	0	0	10
	2019	10	0	0	0	0	0	10
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
New Jersey	2017	7	0	0	0	1	0	6
	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
	2020	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
New Mexico	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
New York	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	<u>5</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>3</u>
North Carolina	2017 2018	32	01	10	0	0	0	23
	2019	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
	2020	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	North Dakota	2018	20	10	0	0	0	0
2019		30	0	0	0	0	10	20
2020		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ohio	2017	3	0	2	0	0	0	1
Ohio	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Oklahoma	2017	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	<u>2020</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Oregon	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Pennsylvania	2017	7	0	0	0	0	0	7
	2018	7	0	1	0	0	0	6
	2019	6	1	0	0	0	0	7
	<u>2020</u>	<u>7</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Puerto Rico	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Rhode Island	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	<u>2020</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
South Dakota	2018	30	0	0	0	0	0	30
	2019	30	0	0	0	0	0	30
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tennessee	2017	1	0	0	0	0	0	1
	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Texas	2017	6	0	0	1	0	0	5
Texas	2018	5	0	0	0	0	0	5
	2019	5	0	1	0	0	0	4
	<u>2020</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>
Utah	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Vermont	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Virginia	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	<u>2020</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Washington	2016	02	10	0	0	0	0	12
	2018	2	0	0	0	0	0	2
	<u>2019</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	<u>2020</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2017	1	0	0	0	0	0	1
<u>West Virginia</u>	2018	10	0	0	0	0	0	10
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<u>Wisconsin</u>	2017 <u>2018</u>	2	0	0	0	0	0	2
	2019	<u>2</u>	0	<u>1</u>	0	0	0	<u>1</u>
	2020	<u>1</u>	0	<u>0</u>	0	0	0	<u>1</u>
<u>Wyoming</u>	2018	20	0	0	0	0	0	20
	2019	20	0	10	0	0	0	10
	2020	<u>0</u>	0	<u>0</u>	0	0	0	<u>0</u>
TOTAL	2017 <u>2018</u>	<u>8376</u>	1	5	<u>20</u>	<u>10</u>	<u>30</u>	<u>7372</u>
	2018	73	1	7	0	0	0	67
	<u>2019</u>	<u>6772</u>	1	2	0	0	2	<u>6469</u>
	<u>2020</u>	<u>69</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>9</u>	<u>53</u>

TABLE NO. 4: Status of Company-Owned Outlets
For Fiscal Years ~~2017~~2018 to ~~2019~~2020*

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
TOTAL	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
<u>Alabama</u>	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Alaska</u>	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Arizona</u>	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Arkansas</u>	2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired From Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of Year</u>
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>California</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Colorado</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Connecticut</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Delaware</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>District of Columbia</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Florida</u>	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
<u>Georgia</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Hawaii</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Idaho</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Illinois</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Indiana</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Iowa</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Kansas</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Kentucky</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Louisiana</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired From Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of Year</u>
<u>Maine</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Maryland</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Massachusetts</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Michigan</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Minnesota</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Mississippi</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Missouri</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Montana</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Nebraska</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Nevada</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>New Hampshire</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>New Jersey</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>New Mexico</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>New York</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>North Carolina</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>North Dakota</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired From Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of Year</u>
	2020	0	0	0	0	0	0
<u>Ohio</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Oklahoma</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Oregon</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Pennsylvania</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Puerto Rico</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Rhode Island</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>South Carolina</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>South Dakota</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Tennessee</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Texas</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Utah</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Vermont</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Virginia</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Washington</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>West Virginia</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Wisconsin</u>	2018	0	0	0	0	0	0

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Outlets Reacquired From Franchisees</u>	<u>Outlets Closed</u>	<u>Outlets Sold to Franchisee</u>	<u>Outlets at End of Year</u>
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>Wyoming</u>	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
<u>TOTAL</u>	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

* The Natural Awakenings magazine in Florida is owned and operated by Natural Awakenings Magazine, Inc.

TABLE NO. 5: Projected Openings as of December 31, ~~2019~~2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year		Projected New Company Owned Outlets in the Current Fiscal Year	
Florida	0	1		0	
New York	0	1		0	
Oklahoma	1	0		0	0
Texas	0	1		0	
TOTAL	1	3		0	

Exhibit C.1 lists the names of all current franchises and the addresses and telephone numbers of their outlets as of December 31, ~~2019~~2020.

Exhibit C.2 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, cancelled, not-renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year ending December 31, 2020 or who had not communicated with us within 10 weeks of the issuance date of this Franchise 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, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We do not have any trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed; and, no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B contains NAPC's audited financial statements for the fiscal years ~~2017, 2018, and 2019; and our unaudited financial statements for our current fiscal year through May 31,~~ and 2020. Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

If you are a corporation or partnership, each of your principals must sign a personal guaranty of your obligations to NAPC under the Franchise Agreement. The following agreements are attached as exhibits to this Franchise Disclosure Document:

- | | |
|-----------|---|
| Exhibit D | Franchise Agreement (including the following attachments): |
| | Schedule 1: Trade Names, Trademarks, Service Marks and Proprietary Marks |
| | Schedule 2: Natural Awakenings Franchise in Approved Territory |
| | Schedule 3: Initial Franchise Fee; Responsible Agent; Guarantors; Active Domain Names and E-Mail Addresses; Active Telephone Numbers; Assumed Business Name |
| | Exhibit A: Personal Guarantee Agreement |
| | Exhibit B: Confidential Information Nondisclosure and Noncompetition Agreement |
| | Exhibit C: Limited Power of Attorney |
| | Exhibit D: Form of Franchise Compliance Certification |
| | Exhibit E: Form of General Release <u>Renewal Addendum</u> |
| | Exhibit F: Renewal Addendum <u>State Specific Addenda to the Franchise Agreement</u> |
| Exhibit E | Promissory Note |
| Exhibit F | State-Specific Addendum |
| Exhibit H | Receipts |

ITEM 23 RECEIPTS

The last pages of this Disclosure Document, Exhibit H, are detachable Receipts. Please sign and date one copy and return it to us. Retain the other copy for your records.



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT A

**LIST OF STATE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Business Oversight <u>Financial Protection & Innovation</u> One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	Commissioner of the California Department of Business Oversight <u>Financial Protection & Innovation</u> 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	Frankfort, KY 40602 502-696-5389	
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1600	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway 28 Liberty Street , 23rd 21st Floor New York, NY 10271 10005 212-416-8222	Secretary of State of New York 99 Washington Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Securities Department	North Dakota Securities Commissioner

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-3563	Director of the South Dakota Division of Insurance, Securities Regulation Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor	Clerk of the State Corporation Commission Tyler Building, 1st Floor

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	1300 E. Main Street Richmond, VA 23219 804-371-9733	1300 E. Main Street Richmond, VA 23219 804-371-9051
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT B

FINANCIAL STATEMENTS

NATURAL AWAKENINGS PUBLISHING CORP
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

NATURAL AWAKENINGS PUBLISHING CORP

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Independent Auditors' Report

To the Board of Directors and Stockholders
of Natural Awakening Publishing Corp
Naples, Florida

We have audited the accompanying financial statements of Natural Awakenings Publishing Corp (an S-corporation), which comprise the balance sheets as of December 31, 2020, and 2019, and the related statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Natural Awakening Publishing Corp as of December 31, 2020, 2019, and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

1859 Banks Road, Margate, Florida 33063

Phone (954) 772-5757 Fax (954) 970-4491

Fort Lauderdale | Long Island | Miami | New York | Palm Beaches | Westchester

www.fuoco.com

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Emphasis of Matter

As discussed in Note 8 to the financial statements, in 2019 the Company made a prior period adjustment to account for an overstatement of income in 2018. Our conclusion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of Natural Awakening Publishing Corp as of December 31, 2018, were audited by other auditors whose report dated March 31, 2019, expressed an unmodified opinion on those statements.

A handwritten signature in black ink that reads "Fuoco Group". The signature is written in a cursive, flowing style.

Margate, Florida
March 24, 2021

NATURAL AWAKENINGS PUBLISHING CORP

BALANCE SHEETS

	As of December 31,		
	2020	2019	2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 114,156	\$ 36,365	\$ 57,020
Accounts receivable, net	15,361	48,608	115,889
Prepaid expenses	6,339	1,379	5,890
Note receivable	500	39,500	-
Defalcation receivable	3,769	5,169	10,669
Total current assets	140,125	131,021	189,468
Property, plant and equipment, net	4,864	8,142	12,131
Website domain name	3,334	6,667	10,000
Loans receivable - franchisees	-	22,727	23,027
Total assets	\$ 148,323	\$ 168,557	\$ 234,626
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable and accrued expenses	\$ 39,400	\$ 25,988	\$ 23,905
Accounts payable - other	-	11,000	22,273
Loan payable - franchisees	21,104	31,709	59,118
Deferred revenue	28,975	12,500	12,500
Note payable	27,379	26,484	24,783
Payroll protection plan note payable	40,993	-	-
Treasury stock payable	12,000	12,000	-
Total current liabilities	169,851	119,681	142,579
Long-term liabilities:			
Note payable, net of current portion	65,744	79,675	106,169
Treasury stock payable, net of current portion	35,000	38,000	-
Loan payable - franchisees, net of current portion	-	6,837	17,529
Payroll protection plan note payable, net of current portion	20,807	-	-
Total long-term liabilities	121,551	124,512	123,698
Total liabilities	291,402	244,193	266,277
Stockholders' equity (deficit)	(143,079)	(75,636)	(31,651)
Total liabilities and stockholders' equity (deficit)	\$ 148,323	\$ 168,557	\$ 234,626

See independent auditors' report and accompanying notes to the financial statements

NATURAL AWAKENINGS PUBLISHING CORP
STATEMENTS OF INCOME

	Years ended December 31,		
	2020	2019	2018
Revenues:			
Royalty fee income	\$ 383,153	\$ 563,562	\$ 589,857
National and corporate advertising	131,231	201,471	217,978
Franchisee fee income	48,000	79,500	117,410
Training income	14,500	7,000	10,500
Late fees	9,342	1,352	-
Publishing services and other	3,057	5,341	450
Web store income	495	1,890	-
Total revenue	589,778	860,116	936,195
Cost of goods sold:			
Commissions	45,032	40,557	36,150
Launch expense	1,920	4,445	19,239
National advertising	-	-	19,172
Other advertising cost	-	-	6,820
Total cost of goods sold	46,952	45,002	81,381
Gross profit	542,826	815,114	854,814
Operating expenses	594,743	771,496	696,965
Income (loss) from operations	(51,917)	43,618	157,849
Other income (expenses):			
Gain on writeoff of loan payable	11,000	-	-
(Loss) on writeoff of loan receivable	(22,727)	-	-
EIDL grant income	6,000	-	-
Interest income	-	-	178
Interest expense	(5,402)	(9,316)	(12,790)
Other income	-	3,645	28,389
Total other income (expenses)	(11,129)	(5,671)	15,777
Net income (loss)	(63,046)	37,947	173,626

See independent auditors' report and accompanying notes to the financial statements

NATURAL AWAKENINGS PUBLISHING CORP
STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Accumulated Deficit	Treasury Stock	Total Stockholders' Equity (Deficit)
Balance as of December 31, 2017	\$ 100	\$ (205,377)	\$ -	\$ (205,277)
Net income	-	173,626	-	173,626
Balance as of December 31, 2018	100	(31,751)	-	(31,651)
Repurchases of common stock	-	-	(60,000)	(60,000)
Distributions	-	(4,205)	-	(4,205)
Prior period adjustment	-	(17,727)	-	(17,727)
Net income	-	37,947	-	37,947
Balance as of December 31, 2019	100	(15,736)	(60,000)	(75,636)
Distributions	-	(4,397)	-	(4,397)
Net loss	-	(63,046)	-	(63,046)
Balance as of December 31, 2020	\$ 100	\$ (83,179)	\$ (60,000)	\$ (143,079)

See independent auditors' report and accompanying notes to the financial statements

NATURAL AWAKENINGS PUBLISHING CORP
STATEMENTS OF CASH FLOWS

	Years ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net income (loss)	\$ (63,046)	\$ 37,947	\$ 173,626
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	6,611	7,322	5,930
Bad debt expense	14,210	58,639	19,125
Prior period adjustment	17,727	(17,727)	-
Changes in assets and liabilities:			
Accounts receivable	19,037	8,641	(322)
Prepaid expenses	(4,960)	4,513	(5,891)
Cash overdraft	-	-	(4,198)
Defalcation receivable	1,400	5,500	14,821
Other asset	-	-	47,450
Deferred income	16,475	-	12,500
Stockholder loan	-	-	(5,250)
Loan receivable - franchisee	22,727	(39,200)	-
Accounts payable and accrued expenses	13,412	2,082	(123,201)
Other payables	(11,000)	(11,273)	-
Stock payable	(3,000)	50,000	-
Earnest money	-	-	(22,500)
Net cash provided by operating activities	29,593	106,444	112,090
Cash flows from investing activities:			
Purchase of property and equipment	-	-	(9,692)
Net cash used in investing activities	-	-	(9,692)
Cash flows from financing activities:			
Proceeds from note payable	-	-	139,000
Payments on line of credit	-	-	(139,000)
Payments on loan payable-franchises	(9,205)	(38,101)	(8,048)
Proceeds from PPP loan	61,800	-	-
Distributions	(4,397)	(4,205)	-
Repurchases of common stock	-	(60,000)	-
Payments on loans	-	(24,793)	(37,330)
Net cash provided by (used in) financing activities	48,198	(127,099)	(45,378)
Net increase (decrease) in cash and cash equivalents	77,791	(20,655)	57,020
Cash and cash equivalents - beginning	36,365	57,020	-
Cash and cash equivalents - ending	\$ 114,156	\$ 36,365	\$ 57,020

See independent auditors' report and accompanying notes to the financial statements

NATURAL AWAKENINGS PUBLISHING CORP

NOTES TO FINANCIAL STATEMENTS

Note 1 – Nature of Operations

Natural Awakenings Publishing Corp. (“The Company”), a Florida corporation, was established on June 02, 1999 to sell area franchise agreements for the publishing of a monthly magazine that provides information regarding living a “natural lifestyle”. The magazine is distributed in the franchise territories where franchise owners generate income from the sale of ads to local advertisers.

Note 2 – Summary of Accounting Policies

A summary of significant accounting policies used by the Company in preparing its financial statements follows:

Basis of Accounting – The financial statements and accompanying notes are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Company considers highly liquid investments with maturity of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable – Accounts receivable represents amounts due from individual franchises for royalty fees from the continuing operation of the franchises. All amounts are expected to be collected within one year. An allowance for bad debts, when considered necessary, is established and recorded based upon the Company’s historical bad debt experience, and based upon management’s judgment. Allowance for bad debts for the years ended December 31, 2020, 2019, and 2018 was \$6,180, \$37,297, and \$0, respectively.

Loans Receivable – Franchisees – Loans receivable franchise fee represents amounts due from the sale of new individual franchises. All amounts are considered collectible. Any amounts considered to be un-collectible are charged off directly to bad debt expense. The loans carry no interest. Any amounts received prior to signing of the franchise contract are recorded as unearned income. No unearned income is recorded at December 31, 2020, 2019, and 2018.

Property, Plant, and Equipment – Property, equipment, and leasehold improvements are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets.

Upon retirement or sale, the cost and related accumulated depreciation and amortization are removed from the balance sheet and the resulting gain or loss is reflected in other income (expenses) in the statement of income and comprehensive income.

The Company tests for possible impairment of property and equipment whenever events and circumstances indicate that depreciable assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. Whenever specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair value.

Costs of maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred

Long-Lived Assets and Disposal of Assets – The Company reviews long-lived assets, to be held and used, for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the assets. Long-lived assets to be disposed of, if any, are reported at the lower of carrying amount of fair value less the cost to sell.

Accounts Payable – Accounts payable represents amounts due to vendors for services provided and materials purchased, incurred but not yet paid at December 31, 2020, 2019, and 2018.

NATURAL AWAKENINGS PUBLISHING CORP

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Accounting Policies (Continued)

Revenue Recognition – Royalty fees from the continuing operation of the franchises are recognized on the accrual basis. The fees are based upon a percentage of each franchisee’s sales, or a minimum between \$150 - \$300 per month, whichever is greater.

Revenue from sales of individual franchises is recognized when substantially all significant services to be provided by the Company have been performed. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Generally, these services include training related to sales, publishing, distribution and office set-up, along with all the layout and editorial services for the first three months of operations. The Company also provides the franchisee publishers a “Publisher Option Package” which includes the bulk content of the monthly magazine.

Income Taxes – The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under the guidance, the Company assesses the likelihood, based on technical merit, that the tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of the reporting period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. The Company recognizes the accrual of any interest and penalties to unrecognized tax benefits in income tax expense. The Company does not have any uncertain tax positions which must be considered for disclosure.

The stockholders of the Company elected under certain sections of the Internal Revenue Code (the “Code”) to be treated as an “S” corporation. As a result, the Company does not pay Federal and certain state and local corporate income taxes. Profits and losses are reported on the individual stockholders’ tax returns.

Note 3 – Credit Risks

The Company maintains its cash at a single financial institution. At times, some cash balances may be in excess of the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. At December 31, 2020, 2019, and 2018, the Company had no cash on deposit exceeding the insured limit.

Financial instruments, which potentially subject the Company to credit risks, consist primarily of cash, receivables, payables, and accrued liabilities and are carried at amounts which reasonably approximate their fair value due to the short-term nature of these amounts or due to variable rates of interest which are consistent with current market rates

Note 4 – Property, Plant, and Equipment

The Company’s property, plant, and equipment was as follows:

	As of December 31,			Useful Lives (Years)
	2020	2019	2018	
Other depreciable property	\$ 16,835	\$ 16,835	\$ 16,835	5
Office furniture and equipment	52,531	52,531	52,531	5-10
Total property, plant, and equipment	69,366	69,366	69,366	
Less: accumulated depreciation	(64,502)	(61,224)	(57,235)	
Property, plant, and equipment, net	\$ 4,864	\$ 8,142	\$ 12,131	

Depreciation expense for the years ended December 31, 2020, 2019, and 2018 was \$6,611, \$7,322, and \$5,930, respectively.

NATURAL AWAKENINGS PUBLISHING CORP

NOTES TO FINANCIAL STATEMENTS

Note 5 – Line of Credit

The company had a line of credit with a commercial lending institution for year 2018. The line had total available funds of \$150,000 at a variable interest rate and is secured by Company assets. The line of credit was converted to a note payable on August 14, 2018.

Note 6 – Notes Payable

The Company's long-term debt is as follows:

	As of December 31,		
	2020	2019	2018
Bank of America note payable, due in equal installments of \$2,731, including interest at a rate of 6.66%, through August 14, 2023. The note is secured by the Company assets.	93,293	106,158	130,952
Bank of America payroll protection program loan, due in equal installments of \$3,478, including interest at a rate of 1%, through May 1, 2022.	61,800	-	-
	155,093	106,158	130,952
Less current maturities of long-term debt	68,372	37,176	35,884
Total long-term debt	\$ 86,722	\$ 68,982	\$ 95,068

The future minimum obligation is as follows:

Years ending December 31,	Amount
2021	\$ 68,372
2022	50,066
2023	31,268
2024	5,388
Total	\$ 155,093

Note 7 – Treasury Stock

At February 1, 2019, Natural Awakenings Publishing Corp. ("NAPC") entered into a settlement and release agreement ("agreement") to purchase all shares of stock owned by a deceased shareholders' estate pursuant to the terms of said agreement. In exchange for the waiver and release of all claims, causes of action and all rights pursuant to the agreement, the Company agreed to pay the estate a settlement amount in the sum of \$60,000 payable monthly for a period of five years. The stock is held in treasury and recorded using the cost method.

NATURAL AWAKENINGS PUBLISHING CORP

NOTES TO FINANCIAL STATEMENTS

Note 8 – Prior Period Adjustment

During 2019, management discovered financial statement errors that caused an overstatement of December 31, 2018 previously reported net income of \$17,727. The errors were due to classifying the receipts and disbursements of various loans receivable and payables through the income statement as opposed to the related balance sheet accounts. Since the previous years' financial statements were audited by another accountant, we did not restate the previously issued financial statements. These errors were adjusted for in the 2019 financial statements as a prior period adjustment. This correction has no effect on the results of the current year's activities.

The following summarizes the prior period adjustment referred to above:

Balance at December 31, 2018, as previously reported stockholders' deficit		\$ (31,751)
Prior period adjustments for:		
Erroneous loan payable classification	22,273	
Erroneous loan receivable classification	<u>(40,000)</u>	
Prior period adjustment - December 31, 2018		<u>(17,727)</u>
Balance at December 31, 2018, as restated stockholders' deficit		<u>\$ (49,478)</u>

Note 9 – Prior Period Reclassifications

Certain amounts on the 2019 and 2018 financial statements have been reclassified for comparative purposes to conform to the current year presentation. These reclassifications have no effect on net income (loss).

Note 10 – COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact net income. Other financial impact could occur though such potential impact is unknown at this time.

Note 11 – CARES Act and Payroll Protection Program Loan

As a direct result of the COVID-19 outbreak, the government passed the CARES Act, which provided Small Business Administration (SBA) loans to small businesses so that they may continue to pay their employees and certain operating expenses. The CARES Act provides that if certain conditions are met, the SBA loan will be forgiven and not have to be repaid. In addition, the CARES Act provides that these loans are at the fixed rate of 1% and mature two years from the date of first disbursement of the loan. Upon maturity, any unforgiven portion of the loan principal and any accrued interest will be due. The company entered into a SBA loan on May 1, 2020, in the amount of \$61,800 and believes that it will satisfy the requirements to have a substantial portion of the loan forgiven. See Note 6 of these financial statements for loan details.

Note 12 – Subsequent Events

The Company has evaluated subsequent events through March 24, 2021 the date which the financial statements were available to be issued.

NATURAL AWAKENINGS PUBLISHING CORP
SCHEDULES OF OPERATING EXPENSES

	Years ended December 31,		
	2020	2019	2018
Operating expenses:			
Salaries and related costs	\$ 349,782	\$ 320,253	\$ 318,384
Publishing support and services	55,992	114,471	125,127
Legal and professional fees	45,557	49,657	16,896
Contract labor	41,690	90,575	71,934
Computer and website	36,513	45,376	36,973
Provision for bad debts	14,210	58,639	19,125
Rent and occupancy	13,616	38,310	33,283
Bank merchant fees	12,320	17,142	17,655
Office	11,163	19,774	30,640
Depreciation and amortization expense	6,611	7,322	5,930
Insurance	4,266	4,359	11,527
Travel and automobile	1,099	1,842	3,023
Advertising and promotion	882	-	3,594
Utilities	826	1,933	2,073
Professional development	216	1,843	801
Total operating expenses	\$ 594,743	\$ 771,496	\$ 696,965

See independent auditors' report and accompanying notes to the financial statements



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT C

ROSTER OF FRANCHISEES

EXHIBIT C-1
ROSTER OF FRANCHISEES
As of December 31, ~~2019~~2020

ALABAMA	
<u>Gulf Coast AL/MS</u> <u>Aiko, LLC</u> <u>Meredith Montgomery</u>	<u>401 Camellia Ct.</u> <u>Fairhope, AL 36532</u> <u>(251) 990-9552</u>
ARIZONA	
<u>Phoenix</u> <u>Desert Sky Publishing, LLC</u> <u>Tracy Patterson</u>	<u>17470 N Pacesetter Way</u> <u>Scottsdale, AZ 85255</u> <u>(480) 589-8800</u>
<u>Tucson</u> <u>Naturally Tucson, LLC</u> <u>Holly Baker</u>	<u>4880 N. Sabino Canyon Rd., #12149</u> <u>Tucson, AZ 85750</u> <u>(520) 760-2378</u>
COLORADO	
<u>Denver</u> <u>ZerbWell, Inc.</u> <u>Doug Zerbarini & Terry Chriswell</u>	<u>PO Box 18581</u> <u>Golden, CO 80402</u> <u>(303) 770-1981</u>
CONNECTICUT	
<u>Fairfield County / Housatonic Valley</u> <u>Erica Mills</u>	<u>241 Catherine Street</u> <u>Buchanan, NY 10511</u> <u>(203) 885-4674</u>
<u>New Haven / Middlesex Counties</u> <u>LLJ Enterprises, LLC</u> <u>Gail Heard</u>	<u>New Haven / Middlesex Counties</u> <u>LLJ Enterprises, LLC</u> <u>Gail Heard</u>
DISTRICT OF COLUMBIA	
<u>Stephen R. Ellis</u>	<u>4801 Fairmont Ave #307</u> <u>Bethesda, MD 33715</u> <u>(202) 505-4835</u>
FLORIDA	
<u>Ft. Lauderdale / Broward County</u> <u>Susie Q International, Inc</u> <u>Susan Q Wood</u>	<u>3900 Galt Ocean Dr., Ste. 1403</u> <u>Ft. Lauderdale, FL 33308</u> <u>(954) 630-1610</u>
<u>North Central Florida</u> <u>Sunshine Publishing Group, LLC</u> <u>Sheila Mahan</u>	<u>1069 Winter Springs Boulevard</u> <u>Winter Springs, FL 32708</u> <u>(352) 366-0088</u>
<u>Jacksonville / St. Augustine</u> <u>Go Direct Marketeam, LLC</u> <u>Rebecca Young</u>	<u>PO Box 731466</u> <u>Ormond Beach, FL 32173</u> <u>(386) 736-3838</u>
<u>Central Florida / Greater Orlando</u> <u>Margaret Jones</u>	<u>PO Box 2230</u> <u>Winter Park, FL 32790</u> <u>(407) 628-0705</u>
<u>Palm Beach</u> <u>Susie Q International, Inc</u> <u>Susan Q Wood</u>	<u>3900 Galt Ocean Dr., Ste. 1403</u> <u>Ft. Lauderdale, FL 33308</u> <u>(954) 630-1610</u>
<u>Pensacola/Northwest FL</u> <u>Daralyn Chase</u>	<u>PO Box 945</u> <u>Destin, FL 32540</u> <u>(888) 228-8238</u>
<u>Sarasota & Peace River*</u> <u>Janet Lindsay</u>	<u>4305 62nd St. E.</u> <u>Bradenton, FL 34208-6663</u> <u>(941) 564-0885</u>
<u>Tampa Bay (Hillsborough & Pinellas Counties)</u> <u>Natural Awakenings of Tampa Bay, Inc.</u> <u>Debbey Wilson</u>	<u>1117 Pinellas Bayway S. #102</u> <u>Tierra Verde, FL 33715</u> <u>(727) 865-9339</u>
<u>Space & Treasure Coast</u> <u>Kris Urquhart & Laurie Davey</u>	<u>14307 Royal Lytham Ct</u> <u>Orlando, FL 32828</u> <u>(321) 426-0080</u>

<u>Volusia / Flagler Counties</u> <u>Go Direct Marketeam, LLC</u> <u>Rebecca Young</u>	<u>PO Box 731466</u> <u>Ormond Beach, FL 32173</u> <u>(386) 736-3838</u>
GEORGIA	
<u>Atlanta</u> <u>Awakenings Atlanta, Inc.</u> <u>Paul Chen</u>	<u>1402 Dancing Fox Road</u> <u>Decatur, GA 30032</u> <u>404-474-2423</u>
ILLINOIS	
<u>Chicago</u> <u>Cultivating Consciousness, LLC</u> <u>Peggy Malecki</u>	<u>PO Box 72</u> <u>Highland Park, IL 60035</u> <u>(847) 858-3697</u>
LOUISIANA	
<u>Acadiana Edition (Lafayette LA)</u> <u>Liteon Investments, LLC</u> <u>Steve & Michelle Castille</u>	<u>100 E. Angelle St.</u> <u>Carencro, LA 70520</u> <u>(337) 280-3363</u>
MASSACHUSETTS	
<u>Boston</u> <u>Daisy Publishing, Inc.</u> <u>Maisie Raftery</u>	<u>829 Greenwich Ave.</u> <u>Warwick, RI 02886</u> <u>(617) 906-0232</u>
MICHIGAN	
<u>Ann Arbor</u> <u>John & Trina Voell</u>	<u>P.O. Box 2717</u> <u>Ann Arbor, MI 48106</u> <u>(734) 757-7929</u>
<u>Western Michigan</u> <u>Gallina Ventures, LLC</u> <u>Pamela Gallina</u>	<u>18881 N. Fruitpoint Rd.</u> <u>Spring Lake, MI 49456</u> <u>(616) 604-0480</u>
<u>East Michigan</u> <u>Michigan Healthy Living & Sustainability Inc.</u> <u>Jerry & Tracy Neale</u>	<u>P.O. Box 283</u> <u>Oxford, MI 48371</u> <u>(248) 628-0125</u>
<u>Detroit/Wayne & Monroe Counties</u> <u>Healthy Living Michigan, LLC</u> <u>John & Trina Voell</u>	<u>P.O. Box 2717</u> <u>Ann Arbor, MI 48106</u> <u>(734) 757-7929</u>
MINNESOTA	
<u>Twin Cities</u> <u>Bold Expressions LLC</u> <u>Candi Broeffle</u>	<u>PO Box 292</u> <u>Moose Lake, MN 55767</u> <u>(763) 270-8604</u>
NEW JERSEY	
<u>Bergen and Passaic Counties</u> <u>Anil Singh</u>	<u>247 Ehret St.</u> <u>Paramus, NJ 07652</u> <u>(201) 781-5577</u>
<u>Hudson County</u> <u>Claire Byers</u>	<u>PO Box 2085</u> <u>Hoboken, NJ 07030</u> <u>(201) 264-4290</u>
<u>Central NJ</u> <u>Full Circle Resources, LLC</u> <u>Joseph Dunne & Asta Lileikyte</u>	<u>388 Terrace Lane</u> <u>Bedminster, NJ 07921</u> <u>(609) 915-2033</u>
<u>Ocean & Monmouth Counties</u> <u>The New Day Shift, Inc</u> <u>Sharon Shaffery</u>	<u>P.O. Box 61</u> <u>Leonardo, NJ 07737</u> <u>(732) 230-7337</u>
<u>North Central NJ,</u> <u>Somerset, Middlesex, Hunterdon</u> <u>Full Circle Resources, LLC</u> <u>Joseph Dunne</u>	<u>388 Terrace Lane</u> <u>Bedminster, NJ 07921</u> <u>(908) 405-1515</u>
<u>South Jersey</u> <u>Vybe Media LLC</u> <u>Shanan Drabin</u>	<u>12 Sweetgum Court</u> <u>Marlton, NJ 08053</u> <u>(867) 797-2227</u>
NEW YORK	

<u>Long Island</u> NA Media Productions, LLC Michael Lehrman & Cyrece Lehrman	<u>244 5th Avenue, Suite T250</u> <u>New York, NY 10001</u> <u>(212) 726-1420</u>
<u>Westchester, Putnam and Dutchess Counties</u> Dana Boulanger & Marilee Burrell	<u>PO Box 313</u> <u>Lincolndale, NY 10540</u> <u>(914) 617-8750</u>
<u>New York City</u> NA Media Productions, LLC Michael Lehrman & Cyrece Lehrman	<u>244 5th Avenue, Suite T250</u> <u>New York, NY 10001</u> <u>(212) 726-1420</u>
<u>NORTH CAROLINA</u>	
<u>Charlotte</u> Health Green Living, Inc. Shannon McKenzie	<u>19823 Henderson Rd. Unit G</u> <u>Cornelius, NC 28031</u> <u>(704) 778-6863</u>
<u>Southeast NC (Wilmington)</u> Lori & David Beveridge	<u>PO Box 4753</u> <u>Wilmington, NC 28406</u> <u>(910) 833-5366</u>
<u>OKLAHOMA</u>	
<u>Manna Services Group, LLC</u> Mark & Shanna Warner	<u>7941 E. 57th Street, Suite 3</u> <u>Tulsa, OK 74145</u> <u>(405) 928-9285</u>
<u>PENNSYLVANIA</u>	
<u>South Central PA</u> Free Hawk Publishing, Inc. Dave Korba	<u>2 Grandview Ave.</u> <u>Hanover Township, PA 18706</u> <u>(570) 350-4590</u>
<u>Lancaster/Berks PA</u> Ten Branches Publishing, LLC Kendra Campbell & Jacqueline Mast	<u>PO Box 6274</u> <u>Lancaster, PA 17607</u> <u>(717) 399-3187</u>
<u>Northeast PA</u> Reid Boyer	<u>PO Box 421</u> <u>Emmaus, PA 18049</u> <u>(610) 421-4443</u>
<u>Pittsburgh</u> Common Culture Institute Inc. Michelle Dalnoky	<u>157 Springer Rd.</u> <u>McClellandtown, PA 15458</u> <u>(724) 271-8877</u>
<u>Bucks & Montgomery Counties</u> Full Circle Resources LLC Joseph Dunne & Asta Lileikyte	<u>388 Terrace Lane</u> <u>Bedminster, NJ 07921</u> <u>(267) 544-9585</u>
<u>Lehigh Valley</u> Deka Rodger (a/k/a Derek Rodger) & Michele Rodger	<u>PO Box 81</u> <u>Three Bridges, NJ 08887</u> <u>(610) 421-4443</u>
<u>RHODE ISLAND</u>	
<u>MFC, LLC</u> Maureen Cary	<u>PO Box 548</u> <u>Tiverton, RI 02878</u> <u>(401) 709-2473</u>
<u>SOUTH CAROLINA</u>	
<u>Charleston</u> Lotus Blossom, Inc. Toni Conover	<u>1934 Tison Lane</u> <u>Mount Pleasant, SC 29464</u> <u>(843) 819-5455</u>
<u>Columbia</u> Annette Carter Briggs	<u>PO Box 2812</u> <u>Columbia, SC 29202</u> <u>(803) 233-3693</u>
<u>TEXAS</u>	
<u>Dallas</u> Bernice Butler	<u>4813 N O'Connor Road, #226</u> <u>Irving, TX 75062</u> <u>(972) 992-8815</u>
<u>Houston</u> Mike & Cindy Hart	<u>318 W. 24th</u> <u>Houston, TX 77008</u> <u>(713) 443-3186</u>
<u>VIRGINIA</u>	

<u>Richmond</u> <u>4-Leaf Productions</u> <u>Jessica Coffey</u>	<u>PO Box 14603</u> <u>Richmond, VA 23221</u> <u>(804) 405-6724</u>
WASHINGTON	
<u>Inland Northwest (Spokane WA/Coeur d'Alene ID)</u> <u>Holistic Northwest Living, Inc.</u> <u>Amber McKenzie</u>	<u>1830 E. 10th Ave.</u> <u>Spokane, WA 99202</u> <u>(509) 869-4361</u>
<u>Seattle</u> <u>Udaba, LLC</u> <u>Lauren Dillon</u>	<u>4003 238th Place S.E., Unit 60A</u> <u>Bothell, WA 98021</u> <u>(206) 818-5932</u>
WISCONSIN	
<u>Milwaukee</u> <u>Natural MKE Inc.</u> <u>Jordan Peschek</u>	<u>3716 Oakwood Ct. S.</u> <u>Hubertus, WI 53033</u> <u>(262) 623-7948</u>

Alabama **ROSTER OF FRANCHISEES SIGNED BUT NOT OPENED**

Gulf Coast AL/MS

Aiko, LLC
Meredith Montgomery
401 Camellia Ct.
Fairhope, AL 36532
(251) 990-9552

Arizona

Phoenix

Desert Sky Publishing, LLC
Tracy Patterson
17470 N Pacesetter Way
Scottsdale, AZ 85255
(480) 589-8800

Tucson

Naturally Tucson, LLC
Holly Baker
4880 N. Sabino Canyon Rd., #12149
Tucson, AZ 85750
(520) 760-2378

California

San Diego

Elaine Russo
1583 Hawk View Dr.
Encinitas, CA 92024
(760) 436-2343

Colorado

Denver

ZerbWell, Inc.
Doug Zerbarini & Terry Chriswell
PO Box 18581
Golden, CO 80402
(303) 770-1981

As of December 31, 2020

None

EXHIBIT C-2

ROSTER OF FRANCHISES TRANSFERRED, TERMINATED,
CEASED OPERATION AND NON-RENEWALS

As of December 31, 2020

TRANSFERS

Connecticut

Fairfield Co~~County~~ / Housatonic Valley

Alchemy Enterprises, LLC
Nicole Miale
137 Danbury Rd, #323
New Milford, CT 06776
(860) 799-5076

Greater Hartford

Alchemy Enterprises, LLC
Nicole Miale
137 Danbury Road Suite 323
New Milford, CT 06776
860-507-6392

New Haven / Middlesex Counties

LLJ Enterprises, LLC
Gail Heard
229 Branford Road #206
North Branford, CT 06471
(203) 988-1808

District of Columbia

Stephen R. Ellis
4801 Fairmont Ave #307
Bethesda, MD 33715
(202) 505-4835

Florida

Ft. Lauderdale/Broward County

Susie Q International, Inc
Susan Q. Wood
3900 Galt Ocean Dr., Ste. 1403
Ft. Lauderdale, FL 33308
(954) 630-1610

Jacksonville

Freddie Zeringue
PO Box 551675
Jacksonville, FL 32255-1675
(904) 551-4796

Miami, Dade County & The Keys

Linda Palmer
13554 SW 47th Lane, STE 100
Miami, FL 33175
(305) 598-3315

North Central Florida

Ash 2 NA Enterprises, LLC
Shannon Knight & Dean Schmidt
PO Box 831038
Ocala, FL 34472
(352) 629-4000

Central Florida / Greater Orlando

Margaret Jones
PO Box 2230
Winter Park, FL 32790
(407) 628-0705

Palm Beach

Leah Patton
12876 154th Road N.
Jupiter, FL 33478
4096 Faraday Way
Palm Beach Garden, FL 33418
(561) 626-5584

Pensacola/(Northwest FL)

Daralyn Chase
PO Box 945
Destin, FL 32540
(888) 228-8238

Sarasota & Peace River*

Janet Lindsay
4305 62nd St. E.
Bradenton, FL 34208-6663
(941) 564-0885

Tampa Bay (Hillsborough & Pinellas Counties)

Natural Awakenings of Tampa Bay, Inc.
Debbey Wilson
1117 Pinellas Bayway S. #102
Tierra Verde, FL 33715
(727) 865-9339

Space & Treasure Coast

Kris Urquhart & Laurie Davey
14307 Royal Lytham Ct
Orlando, FL 32828
(321) 426-0080

Volusia / Flagler Counties

Go Direct Marketeam, LLC
Rebecca Young
PO Box 731466
Ormond Beach, FL 32173
(386) 736-3838

Georgia

Atlanta

Awakenings Atlanta, Inc.
Paul Chen
1402 Dancing Fox Road
Decatur, GA 30032
404-474-2423

Hawaii

Rebdenko, Inc.
Beckie & Bud Kowalski
590 Farrington Hwy
Suite 524-154
Kapolei, Hawaii 96707
(808) 927-3435

Illinois

Chicago

Cultivating Consciousness, LLC
Peggy Maleeki
PO Box 72
Highland Park, IL 60035
(847) 858-3697

Idaho

Southern ID (Boise)

Saranic, LLC
Simone Anewalt
1018 W Ranch Rd
Boise, ID 83702
(208) 917-7922

Indiana

Indianapolis

Optireach, Inc.
Teona Wright & Kimberly Miller
9753 Fortune Drive
Fishers, IN 46037
(317) 572-7577

Louisiana

Acadiana Edition (Lafayette LA)

Liteon Investments, LLC
Steve & Michelle Castille
100 E. Angelle St.
Carencro, LA 70520
(337) 280-3363

New Orleans

Green Bee Publishing, LLC
Melissa Burbank & Courtney Kunstman
1720 Broadway Street
New Orleans, LA 70118
(504) 975-0344

Massachusetts

Boston

Daisy Publishing, Inc.
Maisie Raftery
829 Greenwich Ave.
Warwick, RI 02886
(617) 906-0232

Michigan

Ann Arbor

John & Trina Voell
101 South Fletcher
Chelsea, MI 48118
(734) 757-7929

Western Michigan

Gallina Ventures, LLC
Pamela Gallina
18881 N. Fruitpoint Rd.
Spring Lake, MI 49456
(616) 604-0480

East Michigan

Michigan Healthy Living & Sustainability Inc.
Jerry & Tracy Neale
P.O. Box 283
Oxford, MI 48371
(248) 628-0125

Wayne County

Healthy Yours Michigan, LLC
Mathilde Vandenbulke
11971 Clinton River Rd.
Sterling Heights, MI 48313
(586) 883-3045

Minnesota**Twin Cities**

Bold Expressions LLC
Candi Broeffle
PO Box 292
Moose Lake, MN 55767
(763) 270-8604

Nevada**Las Vegas**

13 Moons Publishing, LLC
Gabrielle Wyant-Perillo
PO Box 230925
Las Vegas, NV 89105
(702) 305-5828

New Jersey**Bergen and Passaic Counties**

Sun Mountain Publishing, LLC
Jerry & Pat Hocek
780 Grange Rd, Apt #6
Teaneck, NJ 07666

(201) 781-5577

Hudson County

Claire Byers
PO Box 2085
Hoboken, NJ 07030
(201) 264-4290

Central NJ

Full Circle Resources, LLC
Joseph Dunne & Asta Lileikyte
388 Terrace Lane
Bedminster, NJ 07921
(609) 915-2033

Ocean & Monmouth Counties

The New Day Shift, Inc
Sharon Shaffery
P.O. Box 61
Leonardo, NJ 07737
(732) 230-7337

North Central NJ,**Somerset, Middlesex, Hunterdon**

Full Circle Resources, LLC
Joseph Dunne
388 Terrace Lane
Bedminster, NJ 07921
(908) 405-1515 [973\) 985-3236](tel:973-985-3236)

South Jersey

D and G Vacanti Enterprises
Mary Michelle & Patrick Vacanti
295 Sharp Road
Mt Laurel, NJ 08054
(267) 664-3236

New Mexico**Northern & Central NM**

Silver Burrito Publishing, LLC
Jody Pearce
3 Twin Arrow Drive
Sandia Park, NM 87047
(505) 386-7720

New York**Capital District**

Albany Awakenings Incorporated
Carolyn Coogan
PO Box 38118
Albany, NY 12203
(518) 729-0099

Long Island

Malama New York, Inc.
Kelly Martinsen
P.O. Box 1104
Long Beach, NY 11561
(516) 587-6517

Hudson Valley West

Emerald Spirit, LLC

Deborah Turner

286 North Midland Avenue

Nyack, NY 10960

(845) 353-1789

~~Westchester, Putnam and Dutchess Counties~~

~~Dana Boulanger & Marilee Burrell~~

~~PO Box 313~~

~~Lincolndale, NY 10540~~

~~(914) 617-8750~~

~~New York City~~

~~NA Media Productions, LLC~~

~~Michael Lehrman & Cyrece Lehrman~~

~~244 5~~

Wisconsin

Milwaukee

Natural Awakenings Milwaukee, LLC

Gabriella Buchnik

9100 North White Oak Lane Apt 218

Bayside, WI 53217

(414) 841-8693

TERMINATED:

Florida

Miami, Dade County & The Keys

Estate of Linda Palmer

White Feather Enterprises, Inc.

13554 SW 47th Avenue Lane, Suite T250100

New York, NY 10001

(212) 726-1420

North Carolina

Charlotte

Health

Miami, FL 33175

(305) 598-3315

Louisiana

New Orleans

Green Living, Inc.

Shannon McKenzie

19823 Henderson Rd. Unit G

Cornelius, NC 28031

(704) 778-6863

Southeast NC (Wilmington)

Lori & David Beveridge

PO Box 4753

Wilmington, NC 28406

(910) 833-5366

Triangle, NC

Raleigh/Durham/Chapel Hill NC

James Michael LeGrand

4303 Oak Hollow Drive

High Point, NC 27265

(919) 342-2831

Oklahoma

Oklahoma City

Live Vibrantly Bee Publishing, LLC

Jeannette Draper

3523 Valley Creek Rd.

Edmond, OK 73034

(405) 834-4255

Melissa Burbank & Courtney Kunstman

1720 Broadway Street

New Orleans, LA 70118

(504) 975-0344

Oregon

Portland OR/Vancouver WA

Portland Health Publishing, LLC

Douglas Merrow

5303 SE Monroe St.

Milwaukie, OR 97222

(616) 965-5858

Pennsylvania

South Central PA

Free Hawk Publishing, Inc.

Dave Korba

2 Grandview Ave.

Hanover Township, PA 18706

(570) 350-4590

Lancaster/Berks PA

Ten Branches Publishing, LLC

Kendra Campbell & Jacqueline Mast

PO Box 6274

Lancaster, PA 17607

(717) 399-3187

Philadelphia

Kimberly Murray

9579 Dogwood Ln

Breinigsville, PA 18031

(732) 447-3303

Northeast PA

Reid Boyer

PO Box 421

Emmaus, PA 18049

(610) 421-4443

Pittsburgh

Common Culture Institute

CEASED OPERATIONS:

Connecticut

Greater Hartford

Alchemy Enterprises, LLC

Nicole Miale

137 Danbury Road Suite 323

New Milford, CT 06776

860-507-6392

Hawaii

Rebdenko, Inc.

~~Michelle Dalnoky~~

~~157 Springer Rd.~~

~~McClellandtown, PA 15458~~

~~(724) 271-8877~~

Bucks & Montgomery Counties

Full Circle Resources

Beckie & Bud Kowalski

590 Farrington Hwy

Suite 524-154

Kapolei, Hawaii 96707

(808) 927-3435

Idaho

Southern ID (Boise)

Saranic, LLC

Simone Anewalt

1018 W Ranch Rd

Boise, ID 83702

(208) 917-7922

Indiana

Indianapolis

Indigo Ventures, LLC

~~Joseph Dunne & Asta Lileikyte~~

~~388 Terrace Lane~~

~~Bedminster, NJ 07921~~

~~(267) 544-9585~~

Lehigh Valley

~~Deka Rodger (a/k/a Derek Rodger) & Michele Rodger~~

~~PO Box 81~~

~~Three Bridges, NJ 08887~~

~~(610) 421-4443~~

Puerto Rico

Waleska & Luis Mendez

PO Box 628

Rincon, PR 00677 Puerto Rico

(787) 286-8888

Rhode Island

MFC

Donna Kirk

6589 Braemar Avenue S.

Noblesville, IN 46062

(317) 984-0040

Nevada

Las Vegas

13 Moons Publishing, LLC

~~Maureen Cary~~

Gabrielle Wyant-Perillo

PO Box 548

~~Tiverton, RI 02878~~

~~(401) 709-2473-230925~~

Las Vegas, NV 89105

(702) 305-5828

New Mexico

Northern & Central NM

Silver Burrito Publishing, LLC

Jody Pearce

3 Twin Arrow Drive

Sandia Park, NM 87047

(505) 386-7720

New York

Hudson Valley West

Alexis DuPre and Sarah Matteo

13 Sapphire Road

Monroe, NY 10950

(845) 213-8504

South Carolina

Charleston

Lotus Blossom, Inc.

Toni Conover

1934 Tison Lane

Mount Pleasant, SC 29464

(843) 819-5455

Columbia

~~Annette Carter Briggs~~
~~PO Box 2812~~
~~Columbia, SC 29202~~
~~(803) 233-3693~~

Upstate SC (Greenville)

ForEarthSake
Roberta Bolduc
209 Laurel Hts.
Anderson, SC 29621
(864) 248-4910

Texas

Austin

Bliss Publishing, LLC
Catherine R. Carrel
723 W University Avenue, Suite 300 #291
Georgetown, TX 78626
(512) 614-4282

Dallas

~~Bernice Butler~~
~~4813 N O'Connor Road, #226~~
~~Irving, TX 75062~~
~~(972) 992-8815~~

South Houston/Galveston

Rexanne Pirooz

NON-RENEWALS:

California

San Diego

Elaine Russo
1583 Hawk View Dr.
Encinitas, CA 92024
(760) 436-2343

New York

Capital District

Albany Awakenings Incorporated
Carolyn Coogan
PO Box ~~3603~~
~~Houston, TX 77253~~ 38118
~~(409) 939-8156~~

Houston

Mike & Cindy Hart
318 W. 24th
Houston, TX 77008
~~(713) 443-3186~~

Albany, NY 12203

(518) 729-0099

Puerto Rico

Waleska & Luis Mendez
PO Box 628
Rincon, PR 00677 Puerto Rico
(787) 286-8888

Texas

San Antonio
Working4Good, Inc.
Joel Shuler
11469 Whisper Breeze
San Antonio, TX 78230
(210) 408-8211

Virginia

Richmond
~~4-Leaf Productions~~
~~Jessica Coffey~~
~~PO Box 14603~~
~~Richmond, VA 23221~~
~~(804) 405-6724~~

Washington

~~**Inland Northwest (Spokane WA/Coeur d'Alene ID)**~~
~~Holistic Northwest Living, Inc.~~
~~Amber McKenzie~~
~~1830 E. 10th Ave.~~
~~Spokane, WA 99202~~
~~(509) 869-4361~~

Wisconsin

Madison
~~Donald Beran~~
~~PO Box 3394~~
~~Madison, WI 53704~~
~~(608) 721-2254~~

Milwaukee

~~Natural Awakenings Milwaukee, LLC~~
~~Gabriella Buchnik~~
~~9100 North White Oak Lane Apt 218~~
~~Bayside, WI 53217~~
~~(414) 841-8693~~

~~ROSTER OF FRANCHISEES SIGNED BUT NOT OPENED~~

~~As of December 31, 2019~~

~~NONE~~

EXHIBIT C-2

**ROSTER OF FRANCHISES TRANSFERRED, TERMINATED,
CEASED OPERATION AND NON-RENEWALS**

December 31, 2019

TRANSFERS:

District of Columbia

Washington DC

Robin Fillmore
1007 Lakeside Drive
Harveys Lake, PA 18618
(410) 349-0527

New Mexico

Northern/Central NM

Andrea Williams
6612 Glenlochy Way NE
Albuquerque, NM 87113
(786) 514-6326

New York

New York City

Tina Woods Productions, LLC
Tina Woods
24 Waechs Way
Valley Cottage, NY 10989
(212) 726-1420

Pennsylvania

Lehigh Valley

Reid Boyer
P.O. Box 421
Emmaus, PA 18049
(610) 421-4443

Bucks/Montgomery County

KMesh, LLC
Karen Meshkov
PO Box 71
Wyncote, PA 19095
(267) 544-9585

Texas

Austin

Read Between the Lines, Inc.
Shelly Searle
1712 E. Riverside Dr., Ste 230
Austin, TX 78741

| ~~(512) 614-4282~~

| Washington

| **Seattle**

| ~~Ann Dorn a/k/a Ann Seregrow Dorn~~

| ~~4902 63rd Avenue W.~~

| ~~University Place, WA 98467~~

| ~~(206) 788-7313~~

TERMINATED:

California

East Bay

High on Healthy, Inc.
Celeste Souza
2 Neva Ct.
Oakland, CA 94611
(925) 577-7583

Illinois

Chicago Western Suburbs

Cory Schultz
1223 E. Walnut St, Apt 3
Oglesby, IL 61348
(312) 504-1177

Ohio

Central Ohio

Mackey Content Marketing, LLC
Sean Peterson
7500 Windsor Dr.
Dublin, OH 43016
(614) 427-3260

Tennessee

Chattanooga

KZKB, LLC
Karen Propes
934 Ethans Glen Dr
Knoxville, TN 37923
(423) 380-9404

N. CO/Cheyenne WY

Cynthia Griswold
2524 S. College Ave
Fort Collins, CO 80525
(714) 470-7187

Worcester MA/Eastern CT

Shannon O'Connor
2 Castle Rd
Tolland, CT 06084
(860) 604-3447

Pennsylvania

~~Chester/Delaware Counties~~

~~Natural Solutions, LLC~~

~~Tricia Curcio~~

~~18 Doe Lane~~

~~Malvern, PA 19355~~

~~(484) 999-4319~~

CEASED OPERATIONS:

Florida

Melbourne/Vero Beach FL *

Kris Urquhart

438 St. John's Drive

Satellite Beach, FL 32937

(321) 426-0080

*Merged into Treasure Coast Franchise

Georgia

Atlanta Northwest

Mike Graff

150 Society Street

Leesburg, GA 31763

Illinois

Chicago North**

Peggy Malecki

Chicago North/570 Skokie Ave.

Highland Park, IL 60036

(847) 858-3697

**Merged into Chicago

NOT RENEWED:

NONE



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT D

FRANCHISE AGREEMENT



NATURAL AWAKENINGS PUBLISHING CORP.

FRANCHISE AGREEMENT

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SCHEDULES AND EXHIBITS:

- Schedule 1:** Trade Names, Trademarks, Service Marks and Proprietary Marks
- Schedule 2:** Natural Awakenings Franchise in Approved Territory
- Schedule 3:** Initial Franchise Fee; Responsible Agent; Guarantors; Active Domain Names and E-Mail Addresses; Active Telephone Numbers; Assumed Business Name

- Exhibit A:** Personal Guarantee Agreement
- Exhibit B:** Confidential Information Nondisclosure and Noncompetition Agreement
- Exhibit C:** Limited Power of Attorney
- Exhibit D:** Form of Franchise Compliance Certification
- Exhibit E:** Renewal Addendum
- Exhibit F:** State Specific Addenda to the Franchise Agreement

NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT dated ~~this day~~as of _____ ~~(this “Agreement”)~~ ~~is made~~ and entered into by and between NATURAL AWAKENINGS PUBLISHING CORP., with its principal office located at 4851 Tamiami Trail, Suite 200, Naples, FL 34103 (“NAPC” or “Franchisor”), and _____, whose principal address is _____, its shareholders, partners, proprietors, directors, members, trustee, trustor, and persons having an interest in it (hereinafter, collectively, the “Franchisee”).

RECITALS

WHEREAS, NAPC, as a result of the expenditure of time, skill, effort, and money, has developed and owns a proprietary system (the “NAPC System”) for franchising and operating Natural Awakenings® magazine franchises that publish local magazines whose content focus is on natural lifestyles, organic and healthy foods, holistic health care and conservation with advertising space sold to providers of natural products and services (collectively, the “Services”) to the general public;

WHEREAS, NAPC has devised policies and techniques for the establishment and operation of the NAPC System, and has promoted the NAPC System and the name “Natural Awakenings” for the advantage of NAPC and entities which control, are controlled by, or are under common control with, NAPC (“Affiliates”);

WHEREAS, NAPC owns the trademark, service mark and trade name, “Natural Awakenings”, and such other trade names, service marks, related logotypes, displays, designs, signs and symbols as are now or may hereafter be designated as part of the NAPC System and NAPC continues to develop, use and control such marks for the exclusive use and benefit of its Franchisees and itself to identify to the public the source of services marketed there under and to represent the NAPC System’s high uniform standards of quality, appearance and services;

WHEREAS, the Franchisee desires to obtain a franchise to operate a Natural Awakenings ~~magazine~~ business under the Proprietary Marks and under the NAPC System as well as to receive the training and other assistance provided by NAPC in connection therewith;

WHEREAS, the Franchisee understands and acknowledges the importance of maintaining NAPC’s high uniform standards of quality, appearance, and services in owning and operating a business under the NAPC System; and

WHEREAS, the Franchisee acknowledges that:

1. Franchisee has received from NAPC a copy of NAPC’s Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise, at least ten (10) business days prior to the execution of this Agreement or at least ten (10) business days prior to the payment by the Franchisee to NAPC of any consideration in connection with the sale or proposed sale of the franchise granted hereby;

2. No representation, warranty, or guarantee, express or implied, has been made by NAPC (or any employee, agent, or salesperson thereof) and relied upon by the Franchisee as to the

potential volume, profit, success, or the viability of the Franchisee's licensed business or of any other NAPC Affiliate other than the information provided in NAPC's Franchise Disclosure Document;

3. Except as otherwise noted in NAPC's Franchise Disclosure Document, sales, expenses, and other financial information are either estimates or composites based upon the experience of other franchisees, as the case may be, and do not constitute a representation that the Franchisee will have the same experience;

4. The business venture contemplated by this Agreement involves business risks;

5. Franchisee's success will be largely dependent upon his ability as an independent business person;

6. Franchisee has received and read, and understands this Agreement and any attachments hereto;

7. If so requested, NAPC has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction;

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

9. Franchisee has had the opportunity to independently investigate, analyze, and construe both the business opportunity being offered hereunder and the terms and provisions of this Agreement, utilizing the services of counsel, accountants, or other advisors (if the Franchisee so elects);

10. Prior to the execution of this Agreement, he/she has had the opportunity to contact all existing franchisees of NAPC;

11. Any written inquiries made to NAPC pertaining to the nature of this franchise have been answered in writing to the satisfaction of the Franchisee;

12. Any and all applications, financial statements, and representations, whether oral or in writing, submitted to NAPC within the past twelve (12) months were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement, unless the same have been otherwise amended in writing; and

13. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to the Franchisee by NAPC in connection herewith.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1 DEFINITIONS

In addition to the definitions set forth throughout this Agreement, the words and phrases set forth below have the following meanings:

1.1 “Approved Territory” has the meaning set forth in Section 3.3.

1.2 “Bank Account” has the meaning set forth in Section 6.9.

1.3 “Barter” or “Bartering” means exchange (goods or services) for other goods or services without using money, other than goods or services received by the Franchisee to promote the Franchised Business.

1.4 “Confidential Information Nondisclosure and Noncompetition Agreement” means an agreement in the form of the sample agreement attached as Exhibit B whereby each partner, proprietor, shareholder, member, trustee, trustor or beneficiary or person named as included or having an interest in Franchisee obligates itself to (i) keep Confidential Information confidential and not disclose Confidential Information to third parties, and (ii) not compete with NAPC or NAPC’s franchisees or Affiliates.

1.5 “Franchise Agreement” means this Agreement.

1.6 “Franchised Business” means the Natural Awakenings Business operated and managed by Franchisee during the Initial Term of this Agreement and contemplated by this Agreement. It includes all assets of Franchisee’s business relating to this Agreement, tangible and intangible, including but not limited to real property.

1.7 “Gross Revenues” means all revenues and income of any type or nature and from any source that Franchisee derives or receives, directly or indirectly, from, through, by or on account of the operation of the Franchise, whether generated within or outside of the Approved Territory, and whether received in cash, in services, in kind, from Barter and/or exchange, on credit, or otherwise. Gross Revenues will include, without limitation, all revenues Franchisee receives after the expiration or termination of this Agreement in connection with Pendlings, as defined in Section 19.5.3 herein. For purposes of calculating Gross Revenues, Franchisee may not deduct or exclude any of the following items: commissions paid to Franchisee’s sales associates; payments required under this Agreement, including payments listed in SECTION 6 of this Agreement; the expenses of operating Franchisee’s business, including expenses related to the Franchised Business; any other costs incurred by Franchisee; or any other deductions or exclusions that are not specifically authorized by this Section 1.7 or the Operations Manual.

1.8 “Open for Business” means “Commencement Date” or the date Franchisee begin operating the Franchised Business referenced by this Agreement by making use of any of the Proprietary Marks licensed hereunder in any media, on business cards, by telephone, or by transacting any business and publishing the Natural Awakenings magazine under the Proprietary Marks within the Approved Territory.

1.9 “NAPC System” or “System” means the composite of elements designed to enable all NAPC franchisees to benefit from brand name identification in market competition, including but not limited to, the elements set forth in SECTION 2.

1.10 “Natural Awakenings Business” ~~business~~ has the meaning set forth in Franchise Disclosure Document Item 1, which includes, in addition to Franchised Business, a proprietary system for franchising and operating Natural Awakenings® ~~magazine~~ franchises that publish local magazines and maintain websites whose content focus is on natural lifestyles, organic and healthy foods, holistic health care and conservation with advertising space sold to providers of natural products and services (collectively, the “Services”) to the general public.

1.11 “Personal Guarantee Agreement” means an agreement in the form of the sample agreement attached as Exhibit A whereby each partner, proprietor, shareholder, member, trustee, trustor or beneficiary or person named as included or having an interest in Franchisee obligates itself jointly and severally to fulfill any and all obligations of the Franchisee.

1.12 “Proprietary Marks” or the “Marks” means the trademark, service mark and trade name, “Natural Awakenings”, owned by NAPC and listed on Schedule 1, and such other trade names, service marks, related logotypes, displays, designs, signs and symbols as are now or may hereafter be designated as part of the NAPC System.

1.13 “Responsible Agent” may be the Franchisee’s designated Business Manager (as defined at Section 7.5.2). Franchisee may appoint more than one Responsible Agent.

1.14 “Services” has the meaning set forth in the Recitals of this Agreement.

SECTION 2 THE NAPC SYSTEM

Franchisee acknowledges that the distinguishing characteristics of the NAPC System and of the services provided, some of which constitute trade secrets, include, but are not limited to the following:

2.1 Common use and promotion of the Proprietary Marks and a color scheme associated with the service;

2.2 Distinctive sales materials associated with the service;

2.3 Distinctive promotional materials used hereafter by NAPC and/or its Affiliates as part of the NAPC System;

2.4 Supplies and other materials used in the offices of NAPC and/or its Affiliates as part of the NAPC System;

2.5 Centralized advertising and referral services;

2.6 Procedures for operations of offices under the NAPC System, publicity and record keeping;

2.7 A standardized uniform magazine layout with unique content, design, marketing and advertising system for operation of a Natural Awakenings business in accordance with NAPC’s standards for quality, value, efficiency, and courtesy; and

2.8 Other specialty programs developed by NAPC for its network locations.

SECTION 3
GRANT OF FRANCHISE; TERRITORY; TERM AND RENEWAL

3.1 The Franchise. Franchisee wishes to obtain a franchise to operate one (1) NAPC Designated Office under the Proprietary Marks and the NAPC System in the Approved Territory described in Section 3.3. NAPC wishes to grant Franchisee this franchise, on the terms and subject to the conditions of this Agreement.

3.2 Grant of Franchise. Subject to the provisions of this Agreement, NAPC hereby grants to Franchisee a franchise (the “Franchise”) to operate one (1) Natural Awakenings magazine business in the Approved Territory (as defined in Section 3.3) at, and only at, the business premises identified in Schedule 2 (“Designated Office”) and to use the Proprietary Marks and the NAPC System in the operation thereof, for a term of ~~seven~~five (75) years (the “Initial Term”) commencing on the date of this Agreement, unless sooner terminated in accordance with the terms, conditions and provisions of this Agreement.

3.3 Approved Territory. “Approved Territory” means the geographic area described in Schedule 2 by a map or written description. The exclusive license granted herein relates solely to one (1) Awakenings magazine in the Approved Territory. Franchisee may not solicit service, advertise and offer its services, programs and products to any individual or entity outside of its Approved Territory without the written approval of NAPC. Franchisee may not distribute their magazine outside of its Approved Territory (See Section 4.5.2 which describes inter-territory sales or Advertising Network Distribution requirements.) without the written approval of NAPC.

3.4 Grant of License to Proprietary Marks. NAPC grants to Franchisee, and Franchisee accepts, a limited, non-exclusive license to use and display the Proprietary Mark(s) shown on Schedule 1 (as long as NAPC does not subsequently designate them as being withdrawn from use), together with such additional or substitute Proprietary Marks which NAPC may later designate in writing, subject to the terms and provisions of this Agreement and all related agreements. This license is limited to, and applies solely to, the operation of the Franchise in the Approved Territory, and the services, programs and products offered and sold at and from the Designated Office. Franchisee may not use the Proprietary Marks for the benefit of any business other than the Franchise.

3.5 Services. Franchisee will offer, sell and publish the “Services” under the Proprietary Marks and pursuant to this Agreement, (which means that Franchisee will offer, sell and service clients with advertising in the magazine whose content and advertising is appropriate and as may be identified in the Operations Manual) for which NAPC training is required under applicable law. Franchisee may not offer or sell any service, program or product which is not a part of the NAPC System, or which NAPC deletes from the NAPC System without NAPC’s express prior written approval. Franchisee may not conduct (or permit anyone else to conduct) any competing business other than the business contemplated by this Agreement at or from the Designated Office without first obtaining NAPC’s written consent.

3.6 Term and Renewal.

3.6.1 The initial term of the Franchise will begin upon execution of this Agreement and will continue for a period of ~~seven~~five (75) years (the “Initial Term”), unless sooner terminated, as described below.

3.6.2 Upon the expiration of the Initial Term, Franchisee has the option to enter into a Renewal Agreement for ~~one~~two additional ~~seven~~five (~~7~~5) year ~~term~~terms. The “**Renewal Agreement**” will take the form of NAPC’s then-current Franchise Agreement, modified as provided below. The Renewal Agreement will supersede this Agreement in all respects. The terms of the Renewal Agreement may substantially differ from the terms of this Agreement, except that the payment obligations imposed in the Renewal Agreement will not be greater than the payment obligations imposed on similarly situated renewing franchisees. Franchisee must exercise its renewal right under this Agreement in the following manner:

3.6.2.1 Not less than six (6) months, nor more than nine (9) months, prior to the expiration of this Agreement, Franchisee will notify NAPC in writing of Franchisee’s desire to enter into the Renewal Agreement.

3.6.2.2 Within thirty (30) days after receipt of Franchisee’s request, NAPC will notify Franchisee if Franchisee has satisfied the obligations in Section 3.6.3 to be able to enter into a Renewal Agreement and the action that Franchisee must take to be able to do so.

3.6.2.3 If Franchisee has satisfied the obligations to enter into the Renewal Agreement, NAPC deliver to Franchisee a copy of its then-current Franchise Disclosure Document, including NAPC’s then-current Franchise Agreement (collectively, the “**Disclosure Document**”), and, promptly upon receipt of the Disclosure Document, Franchisee must acknowledge receipt by executing the Receipt form in the Disclosure Document and promptly returning the Receipt to NAPC.

3.6.2.4 Not less than fourteen (14) business days after Franchisee receives the Disclosure Document and not less than ninety (90) prior to the expiration of the Initial Term, Franchisee must notify NAPC in writing whether or not Franchisee will execute the Renewal Agreement.

3.6.2.5 Promptly upon receipt of Franchisee’s notice of its election to execute the Renewal Agreement, NAPC will deliver to Franchisee the Renewal Agreement ready for execution. Within fifteen (15) days but not less than seven (7) days after receipt of the Renewal Agreement, Franchisee must execute the Renewal Agreement and return it to NAPC, accompanied by a check payable to NAPC for the Renewal Admin Fee (as described below).

3.6.2.6 If Franchisee does not perform each act or deliver each notice required by this Section 3.6.2 in a timely fashion, Franchisee will have waived its right to enter into a Renewal Agreement, and this right will automatically expire without further action or notice by NAPC. If Franchisee declines to enter into a Renewal Agreement, this Agreement will terminate at the end of the Initial Term, subject to the post-termination provisions of this Agreement, which, by their nature, survive.

3.6.2.7 If: (i) Franchisee has exercised its renewal right in the manner described above; and (ii) Franchisee has complied with all of the conditions set forth in Section 3.6.3 by the date of expiration of this Agreement, then NAPC will execute the Renewal Agreement executed by Franchisee and will, promptly after expiration of the Initial Term of this Agreement, deliver one fully-executed copy of the Renewal Agreement to Franchisee.

3.6.3 Franchisee’s right to enter into a Renewal Agreement is conditioned upon Franchisee’s fulfilling all of the following conditions, and it will be good cause for NAPC not to permit

Franchisee to enter into a Renewal Agreement if any of the following conditions are not met on or before the last day of the Term:

3.6.3.1 During the Initial Term, Franchisee must be in compliance with all, and not be in default of any, of Franchisee's obligations under this Agreement; any amendments to this Agreement; its obligations under any applicable lease for the Franchised Business; the Operations Manual and Supplements to the Operations Manual, and all other agreements then in effect between Franchisee and NACP (or NACP's Affiliates); and, Franchisee must have timely paid or satisfied prior to the end of the Term, all monetary obligations owed by Franchisee to NACP and its Affiliates, during the last twelve (12) months of the Initial Term, must have paid Royalty Fees in greater than the minimum Royalty Fees and must have substantially timely met these obligations throughout the Initial Term;

3.6.3.2 Franchisee and/or its Responsible Agent must comply with NACP's then-current qualification and training requirements as set forth in the Operations Manual or otherwise including, but not limited to, attending and satisfactorily completing a training program for renewing franchisees within the six (6) month period ending on the last day of the Initial Term;

3.6.3.3 Franchisee must make such reasonable expenditures for the appearance, condition, repair, equipment and signage of the Franchised Business as NACP may require from time to time: (a) under the Operations Manual, and (b) according to NACP's judgment as to the condition, state of repair and general appearance of Franchisee's magazine racks, signs and banners compared to the quality standards and appearance which NACP, in its sole discretion, considers attractive; and

3.6.3.4 Franchisee must execute NACP's then-current standard franchise agreement being offered to new franchisees by NACP, which franchise agreement may contain terms and conditions substantially different from those set forth herein, including, but not limited to, the then-current rate for all fees and other payments as such franchise agreement may provide.

3.6.4 Franchisee is not required to pay NACP a Renewal Fee upon execution of the then current franchise agreement. Franchisee will pay an Eight Hundred Fifty Dollars (\$850.00) Renewal Admin Fee to NACP for NACP's legal and administrative expenses in connection with the Renewal.

3.6.4.1 Franchisee must execute NACP's then-current general release of any claims. Such release will release any and all actions, suit, proceeding, claim, demands, inquiries, investigations, legal actions or arbitral proceedings (collectively, "**Claims**") that Franchisee may have against NACP and its officers, directors, shareholders, members and employees, in their corporate and individual capacities, including, but not limited to, all Claims arising under any federal, state, or local law, rule, or ordinance. If applicable state law prohibits the giving of a general release at the time of renewal of the Agreement, then NACP will not require the execution of a general release. If a release of some, but not all, Claims is permitted, the Franchisee will execute a release to the extent permitted by law. The general release will not purport to release NACP from any Claims which are the subject of litigation pending at the time of renewal, or from any future Claims arising out of or related to any Renewal Agreement entered into between NACP and Franchisee.

3.6.4.2 It will also be good cause for NACP not to permit Franchisee to enter into a Renewal Agreement if NACP has determined to withdraw its franchise from the Approved

Territory and should cease to operate for a period of six (6) months or more upon the expiration of this Agreement.

3.6.4.3 If applicable law requires NAPC to give notice of expiration to Franchisee at a specified time before the expiration of the Initial Term, and NAPC has not done so, then the term of this Agreement will be extended on a month-to-month basis until NAPC has given Franchisee the required notice of expiration and the required period before the expiration of **this** Agreement becomes effective has expired.

3.6.4.4 If Franchisee continues to operate the Franchise after the end of the Initial Term or any Renewal Term without exercising its right to renew, Franchisee will be deemed to be operating on a month-to-month basis under the terms and conditions of the agreements then being used for the granting of new NAPC franchises, including without limitation, the obligations to pay the then current and applicable Renewal Admin Fees, except the Royalty Fee during such time that the Franchisee operates the Franchise until such right is terminated or Franchisee executes the Renewal Franchise Agreement, the Royalty Fee will be the greater of fourteen percent (14%) of Gross Revenues or Six Hundred Dollars (\$600.00) per month; and Franchisee's right to operate the Franchise may be terminated at any time upon ten (10) days written notice. Franchisee acknowledges that the circumstances described in this provision will constitute a material breach and good cause for termination.

SECTION 4 DUTIES OF FRANCHISOR

NAPC agrees to perform the following services for Franchisee at a time and place selected by NAPC:

4.1 Initial Training.

4.1.1 Prior to the opening of Franchisee's NAPC **Business**, NAPC will offer an initial training program in the operation of the NAPC **Business** under the NAPC System (the "**Initial Training Program**") for Franchisee, Franchisee's **Business Manager** and/or Franchisee's administrative staff. NAPC will set the date, the location and duration of the Initial Training Program. The owners and/or associates, if any, must attend and successfully complete the Initial Training Program before Franchisee may commence the operation of its NAPC **Business**. The cost for attendance at the Initial Training Program is included in the Initial Franchise Fee. The Initial Franchise Fee does not include ground transportation, certain meals or accommodations for Franchisee and/or **Franchisee's Business Manager**. Franchisee is responsible for all expenses associated with attending the Initial Training Program, including employees' salaries. Franchisee subsequently will train each of **its** employees and contractors (if applicable). If NAPC reasonably concludes that Franchisee and/or Franchisee's **Business Manager** (as applicable), or other key employee has failed to attend or complete the NAPC Initial Training Program, such failure will be a material and incurable breach of this Agreement which, unless NAPC waives the breach, will entitle NAPC to terminate this Agreement immediately upon notice to Franchisee, with no opportunity to cure. If an employee not identified in the previous sentence does not successfully complete the Initial Training Program, Franchisee may substitute another trainee, but must submit all training fees as set forth in Section 6.3. Any replaced Designated Manager who hired or designated by **Franchisee** after the Franchised Business is **Open** for Business must attend and satisfactorily complete NAPC's next scheduled Initial Training Program, and Franchisee must submit applicable training fees as set forth in Section 6.3.

4.1.2 From time to time, NAPC may determine that Franchisee would benefit from supplemental training. In that event, NAPC may conduct a training class subject to its scheduling, notification, enrollment and cancellation policies as specified in the Operations Manual. Franchisee will pay NAPC Five Hundred Dollars (\$500.00) for each person who attends such training on behalf of Franchisee.

4.2 Support Services/Business Management Training. Prior to the commencement of Franchisee's business and after Franchisee is Open for Business, NAPC will provide business and management consultation services which may include advice with respect to (i) all aspects of the site requirements including furniture, fixtures, distribution racks and equipment, computers, and (ii) sales programs, procedures, guidelines, systems, specifications or techniques pertaining to the operation of the Franchised Business and effective implementation of the NAPC System through telephone conferencing or online communication. The timing of such initial business and management support services will be subject to the availability of NAPC personnel, and may be conducted off-site, by telephone, through electronic or other communication devices, as NAPC deems appropriate.

4.3 Ongoing Consultation. During the first ninety (90) days of Franchisee's operation of the NAPC Business, Franchisor will provide weekly coaching calls at a time and for a duration determined by Franchisor. Following the first ninety (90) days of Franchisee's operation of the NAPC Business and NAPC's furnishing of the initial support services described in Section 4.2, NAPC will furnish to Franchisee other support services that NAPC determines, in its discretion, are advisable. NAPC's representatives may render support services off-site, by telephone, through electronic or other communication devices, as NAPC deems appropriate. The timing of all such support services will be subject to the availability of NAPC's personnel. Upon Franchisee's request and for a reasonable charge, NAPC will offer consulting services relating to the operation of Franchisee's business.

4.4 Website Maintenance. NAPC will maintain its proprietary website, in addition to authorizing Franchisee's URL for its website. The cost of the support and maintenance of Franchisee's website must be paid by Franchisee. Franchisee waives any and all Claims (as defined at Section 10.5 herein) against NAPC for losses attributable to all amounts of website or network system down-time whether attributable to scheduled system maintenance, viruses, worms, or other factors beyond NAPC's control. As provided in Sections 6.5 and 7.11, NAPC has the right to establish and host a website and require Franchisee to use the website exclusively.

4.5 National and Multi-Territory Advertising Program.

4.5.1 NAPC will maintain its proprietary system for customer inquiries and sales on behalf of multiple Franchisees. There is no fee to Franchisee for participation in the program. Franchisee waives any and all Claims against NAPC for losses attributable to commercially reasonable amounts of network system down-time whether attributable to scheduled system maintenance, viruses, worms, or other factors beyond NAPC's control, including but not limited to third-party systems down-time.

4.5.2 Franchisee agrees to accept advertising from NAPC for National Advertisers. If Franchisee fails to include advertising from a National Advertiser its publication, as the required; then, Franchisor has the right to debit Franchisee's Bank Account an amount equal to the greater of \$750 or the prorated amount Franchisor is indebted to the National Advertiser for each time that Franchisee fails to honor the insertion order, based on the amount the advertisement was sold for and number of markets it

was to be placed in) plus a \$250 administrative fee on the same day that Royalty Fees are due (the “**National Advertising Default Fee**”).

4.5.3 NAPC will bill and collect multi-territory advertising sales, as detailed in the Operations Manual, directly to the advertising customer or National Account and the proceeds will be distributed to Franchisee monthly on the following terms:

4.5.3.1 Seventy-five percent (75%) of Net Sale to Franchisee; and

4.5.3.2 Twenty-five percent (25%) of Net Sale for Sales Commissions & Administrative fee to NAPC.

This billing system applies only to the National Advertising Program. NAPC franchisees are responsible for billing and collecting all local advertising business within the limits of their Approved Territory (Schedule 2) as instructed in the Operations Manual.

4.5.4 Any sales that Franchisee may develop for territories outside of Franchisee’s **Approved Territory** must be referred to the appropriate Natural Awakenings franchise location or to NAPC and if Franchisee develops sales for more than one franchise territory Franchisee will refer the advertiser to NAPC and thereby qualify under the terms of the National Advertising Program.

4.5.5 Franchisee may not join with other franchisees to offer regional or national advertisers’ special rates for advertising in Franchisee’s magazine, except as may be otherwise specified in the NAPC policies and procedures in the Operations Manual. The right to negotiate, establish and earn revenues/commissions from regional and/or national advertisers for placements in multiple editions of Natural Awakenings magazine will remain the exclusive right of NAPC, except as may be otherwise specified in the NAPC policies and procedures in the Operations Manual.

4.6 **Operations Manual.**

4.6.1 Prior to the opening of Franchisee’s **NAPC Business**, NAPC will make available to Franchisee, on loan, one (1) copy of the NAPC Operations Manual, together with any additions to, deletions from, or revisions of the NAPC Operations Manual (collectively, herein, the “**Operations Manual**”). Some parts of the Operations Manual may be delivered to the Franchised Business at NAPC’s option, as an administrative convenience only. The Operations Manual will be in the form of one or more of the following: loose-leaf or bound volumes; written bulletins and policies; notices; electronic communications; Intranet download; CD-ROMs, computer disks or other electronic media. The Operations Manual and any Supplements to the Operations Manual (as defined below) are material in that they will affect the operation of the **Franchised Business**, and are part of what constitutes the NAPC System, but they will not conflict with or materially alter Franchisee’s rights and obligations under this Agreement.

4.6.2 The Operations Manual will include:

4.6.2.1 Standard operating procedures and quality control directives designed to familiarize Franchisee with the NAPC System and better enable Franchisee to run an efficient and profitable Franchised Business;

4.6.2.2 Requirements governing the use and specifications of the Proprietary Marks, including any associated logos or graphics, and other sales promotional materials;

4.6.2.3 Specifications for the operation of the business of a NAPC franchise, including appropriate forms; and

4.6.2.4 Information on marketing, as well as other information that NAPC believes will be necessary or helpful to Franchisee in its operation of the NAPC Business.

4.6.3 NAPC retains the right to prescribe additions to, deletions from, or revisions of the Operations Manual (the “**Supplements to the Operations Manual**”), all of which will be incorporated into, and be deemed a part of, the Operations Manual. Supplements to the Operations Manual will become binding on Franchisee, as if originally set forth in the Operations Manual, upon being delivered to Franchisee either via Franchisee’s NAPC e-mail account or any form deemed appropriate by NAPC. Franchisee immediately will adopt and use the services, products, programs, materials, standards, specifications, policies, methods, procedures and techniques set forth in such Supplements to the Operations Manual.

4.6.4 The Operations Manual will remain NAPC’s property at all times. Franchisee acknowledges that the information contained therein is Confidential Information. Franchisee, its agents, independent contractors, and employees will treat the Operations Manual and the information contained therein as required by Section 12.1.

4.6.5 Franchisee will ensure at all times that its copy of the Operation Manual and the Supplements to the Operations Manual are current and up-to-date. If there is any dispute as to Franchisee’s compliance with the provisions of the Operations Manual, the master copy of the Operations Manual maintained at NAPC’s principal office will control.

4.7 Supervision. NAPC will maintain reasonable supervision over Franchisee as often as NAPC will deem necessary, to assure compliance with the NAPC System and any supplemental quality control standards as established by NAPC from time to time, and to provide guidance in the management and operations of the Franchised Business.

4.8 Suspension of Services. If Franchisee fails to pay any amounts due to NAPC as required by this Franchise Agreement, upon written notice of default to Franchisee, as required by Section 19.3, NAPC will have the right to suspend all services provided by NAPC directly or indirectly to Franchisee until Franchisee cures the default.

SECTION 5 SITE SELECTION REQUIREMENTS; OFFICE APPEARANCE AND SIGNS

5.1 Franchised Business Location Selection and Approval. NAPC recommends that the Franchised Business (business location) is setup in the Franchisees home (home-office) within the Approved Territory. If Franchisee has selected, and NAPC has approved, a Designated Office outside of their Approved Territory, such Designated Office location is set forth on Schedule 2. If Franchisee has not yet selected and submitted a business location for NAPC’s approval as of the date NAPC executes this Agreement, then, within thirty (30) days of the date NAPC executes this Agreement, Franchisee will submit in writing for NAPC’s approval, a proposed location for operation of the Franchised Business. NAPC will approve or disapprove such proposed location within a commercially reasonable period of time.

5.2 Site Selection. NAPC does not have specifications or requirements for any commercial leased space for Franchisee’s office location; NAPC’s right to decline inspection or approval, is not meant to be relied on or construed in any way as a representation, express or implied warranty, or

any other indicia of the prospective profitability, viability or merit of any location. Franchisee waives, release and discharges any Claim to the contrary.

5.3 Relocation of a Designated Office. Franchisee may not relocate the Designated Office to another location without first obtaining NAPC's written approval. Franchisee may incur expense related to the relocation of Franchisee's office. NAPC is not responsible for any of the expense or for any costs Franchisee incurs in connection with Franchisee's relocation of its Designated Office.

SECTION 6 PAYMENTS TO FRANCHISOR

6.1 Initial Franchise Fee.

6.1.1 In consideration of NAPC's execution of this Agreement, Franchisee will pay NAPC the initial franchise fee set forth in Schedule 3 ("**Initial Franchise Fee**").

6.1.2 The Initial Franchise Fee is payable in full when Franchisee signs this Agreement, and is fully earned when the Franchise Agreement is signed. Franchisee acknowledges that the Initial Franchise Fee is non-refundable and compensates NAPC for services rendered before and until the effective date of this Agreement. Franchisee waives any right to recover part or all of the Initial Franchise Fee.

6.1.3 If NAPC determines that Franchisee has adequate credit, it has the right to offer Franchisee the opportunity to pay a portion of the Initial Franchise Fee when the Franchise Agreement is signed and the balance of the Initial Franchise Fee by a Promissory Note, in the form of Exhibit E attached to the **Franchise Disclosure Document** (the "**Promissory Note**"), as set forth in Schedule 3.

6.2 Royalty Fee.

6.2.1 Franchisee will pay to NAPC a monthly Royalty Fee according to the following schedule:

6.2.1.1 The greater of seven percent (7%) of Gross Revenues or Two Hundred Fifty Dollars (\$250.00) per month beginning from commencement of the business through and including month six (6) of operations; then,

6.2.1.2 The greater of seven percent (7%) of Gross Revenues or Five Hundred Dollars (\$500.00) per month beginning in month seven (7) and continuing throughout the term of this Agreement.

6.2.2 The Royalty Fee will compensate NAPC for costs and expenses associated with maintaining Franchisee's NAPC **Business** and other operating expenses of NAPC, including but not limited to the funding of system-wide programs and training sessions. Royalty Fees are due between the first (1st) and tenth (10th) day of every month and must be accompanied by required monthly reports and other monthly requirements defined in the Operations Manual. The Royalty Fee must be received by NAPC no later than the tenth (10th) of every month. If Royalty Payments are not received timely, NAPC may elect to charge Interest and Late Fees, in accordance with Section 6.7 of this Agreement. NAPC utilizes an electronic debit system that will automatically debit the Franchisee's Bank Account for the Royalty Fee as set forth in Section 6.11. In lieu of the electronic debit system, NAPC will allow Franchisee to pay any amounts due to NAPC by credit card; however, NAPC will charge a convenience fee of 3% of the amount charged to Franchisee's credit card at the time of payment to compensate NAPC

for the credit card processing fees. NAPC has the right to increase this fee to reflect increases in the fees charged to it to process credit card payments.

6.2.3 Franchisee is also required to provide two (2) full pages or separate smaller sections that equal two (2) full pages of advertising space for NAPC's use, sale or transfer. If NAPC elects not to use the two full pages of advertising, the remaining portion will not be cumulative to the next month/issue, and NAPC forfeits the remaining portion for that month/issue. If Franchisee fails to ~~include~~include the advertising NAPC requires Franchisee to include, Franchisee will be charged the National Advertising Default Fee, as provided in Section 4.5.2.

6.3 Additional Training. Franchisee agrees to pay NAPC for additional training at Franchisee request at a rate of Five Hundred Dollars (\$500.00) for each participant of the NAPC ongoing training sessions. NAPC may determine that additional training will benefit the Franchisee in its continued understanding of the changing scope of the industry. If after opening the business, Franchisee requests assistance that requires NAPC personnel to incur travel, living or incidental expenses by providing this consultation to Franchisee, Franchisee will be responsible for the costs.

6.4 Production Services. Franchisee agrees to pay NAPC for production services, as needed at a rate of Two Thousand Dollars (\$2,000.00) per month. The initial franchise fee includes production services for the Franchisee for the first three (3) months.

6.5 Technology Support and Maintenance. Franchisee agrees to pay for the monthly website licensing, hosting, digital marketing and C.R.M. Franchisee will pay these monthly fees directly to NAPC or the third-party vendor that NAPC designates. The current estimate for technology maintenance is Three Hundred Fifty Dollars (\$350.00) per month. NAPC and each the third-party vendor has the right to increase or decrease this amount to compensate it for costs incurred to provide such services. Notwithstanding the foregoing, Franchisee acknowledges that NAPC does not have any responsibility for any maintenance or support for any software or other technology provided by third-parties.

6.6 Local Advertising. Franchisee has no obligation under this Agreement to place or purchase any Local advertising outside of their Natural Awakenings magazine. Local magazine advertising must be placed by Franchisee in accordance with the specification of use of our Marks and as indicated in our Operations Manual.

6.7 Interest and Late Fee.

6.7.1 All payments due from Franchisee pursuant to this Agreement are due and payable in accordance with the terms and conditions of this Agreement or the Operations Manual (as the case may be). If any payment due pursuant to this Agreement is not paid by the payment due date, any such past due amount will bear interest at the maximum interest rate permitted by appertaining Florida law, plus a late fee equal to **Five Dollars** (\$5.00) per day. If there is no applicable legal maximum rate, interest will be one and one-half percent (1.5%) **per month measured from** the due date of such payment until such payment is made. The payment of such late fee and interest will not prevent NAPC from exercising any other rights it may have as a consequence of any late payment.

6.7.2 Franchisee acknowledges that this Section 6.7 is not an agreement by NAPC or its Affiliates to accept any payments after such payments are due, or a commitment by NAPC or its Affiliates to extend credit to Franchisee or otherwise finance the Franchised Business. Franchisee also acknowledges that, if it does not pay all amounts due under this Agreement, it will have materially

breached this Agreement, which unless Franchisee cures the breach pursuant to Section 19.3, will result in this Agreement being terminated immediately.

6.8 Transfer Fee. In the event that Franchisee seeks to transfer its rights and obligations under this Agreement, and NAPC approves such transfer, Franchisee will pay to NAPC, a non-negotiable fee of Seven Thousand Five Hundred Dollars (\$7,500.00) (“Transfer Fee”) to compensate NAPC for the costs NAPC incurs to process the transfer, including administrative, legal and personnel costs. The Transfer fee is due before closing or will be deducted from the sale proceeds at closing.

6.9 Reporting and Payment. For each month during the term of this Agreement, Franchisee agrees to electronically submit a monthly report to NAPC at the time and in the form and manner specified in the Operations Manual. The monthly report will consist of a statement reporting all Gross Revenues and Production costs for the preceding month, as well as other information, including but not limited to sales, other income, allowable deductions and/or staff changes specified in this Agreement and in the Operations Manual, including but not limited to all amounts to be remitted to NAPC. Upon submission of Franchisee’s reports for a given month, Franchisee will pay to NAPC the appropriate Royalty Fee. The Royalty Fee is due by the tenth (10th) day of every month along with other monthly requirements as defined in the Operations Manual. If Royalty Fees are not received by the tenth (10th) day of each month, NAPC may electronically debit Franchisee’s Bank Account for the Royalty Fee payment required in this SECTION 6 and covered by the monthly reports.

6.10 National Advertising Fund. NAPC may establish a National Advertising Fund in the future. The purpose of the Fund is to pool advertising money of NAPC franchisees so as to achieve greater benefits for all in promoting the Trade Name and Marks. The money in this fund will be kept in a segregated account. Upon implementation Franchisee will pay monthly to the National Advertising Fund a monthly contribution of one percent (1%) of the Gross Revenue for the preceding month. NAPC reserves the right to reimburse NAPC’s out of pocket expense out of the Advertising Fund and to pay NAPC a reasonable administrative fee for time and efforts in administering the Fund. This administration fee will not exceed twenty percent (20%) of funds collected. At NAPC’s option and election, NAPC may establish a Board of Directors consisting of franchisees to monitor and design the spending of advertising dollars on behalf of the franchisees. Natural Awakenings Franchise owners will determine implementation and modification of the Fund by simple majority vote amongst owners. Franchisees will be notified in writing at least ninety (90) days in advance of implementation of the Fund.

6.11 Bank Account.

6.11.1 As of the Effective Date of this Agreement and throughout the term of this Agreement, Franchisee will establish and maintain, subject to the express, prior written approval of NAPC (such approval not to be unreasonably withheld or delayed), a segregated bank account at a bank or other financial institution (“**Bank Account**”). The Bank Account must be established and maintained solely for the purposes set forth in this Section 6.11 and the Operations Manual.

6.11.2 NAPC may initiate an electronic debit system whereby Franchisee payments may be electronically debited to the Franchisees account. If NAPC initiates this system, Franchisee will instruct the institution holding the Bank Account to (a) permit NAPC access to the Bank Account for collection of all fees and payments provided for in this Agreement, including but not limited to, the fees required by this SECTION 6, and to (b) provide NAPC with thirty (30) days’ written notice before terminating, suspending or changing the terms of Bank Account. The Bank Account must have the capacity to make

payments and receive credits through electronic debiting. Franchisee hereby grants to NAPC the right to debit the Bank Account (electronically or otherwise) for any and all amounts Franchisee owes NAPC or its Affiliates under this Agreement and Franchisee will execute whatever documents the institution holding the Bank Account and NAPC's financial institution may require for this purpose. Under no circumstances will NAPC's access to the Bank Account be deemed control or joint control of the Bank Account. NAPC will provide Franchisee with at least sixty (60) days' notice prior to implementation of this program.

6.11.3 Franchisee will reimburse NAPC for all costs NAPC incurs in collecting or attempting to collect funds due to NAPC or its Affiliates from the Bank Account (including, but not limited to, charges by either financial institution for electronic funds transfers, charges for insufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Bank Account balance as required by the terms of this Agreement).

6.11.4 NAPC will notify Franchisee of the date and amount of each debit NAPC makes from the Bank Account at the time and in the manner specified in the Operations Manual.

6.11.5 The Bank Account must be established so that NAPC can audit it at any time upon notice to Franchisee. If the electronic funds transfer system enabling NAPC to electronically debit the Bank Account is not functioning at any time for any reason, Franchisee agrees to ensure that NAPC and/or its Affiliates otherwise receive payment for any and all amounts due NAPC and by the date due, in the form of a check, money order or any other form acceptable to NAPC.

6.11.6 Upon the termination or expiration of this Agreement, Franchisee will maintain the Bank Account for as long as necessary to permit NAPC to debit the Bank Account until Franchisee has satisfied all of its financial obligations to NAPC and to its Affiliates.

6.12 Impact of Tax Assessments. No payments owed to NAPC by the Franchisee, including all fees required by this SECTION 6 may be reduced as a result of any tax, charge or assessment by any federal, state, or local authority.

6.13 Additional Payments to NAPC. Franchisee will pay to NAPC within fifteen (15) days, upon demand, all amounts NAPC advances, or which NAPC has paid, or for which NAPC becomes obligated to pay, on Franchisee's behalf for any reason.

6.14 Commencement of Payments. The Royalty Fee, will begin to accrue after the first month of Opening of the Franchised Business (as defined in Section 1.8) and such fees are payable on the dates specified either in this Agreement, the Operations Manual, or, with regard to any products and/or services sold or furnished by NAPC or any of its Affiliates to Franchisee, on the terms NAPC (or its Affiliates) specifies at the time of offer or sale, including, without limitation, electronic funds transfer or other wire transfer. Gross Revenues received by Franchisee after the expiration or termination of this Agreement in connection with pending NAPC Franchised Business transactions as of the date of termination or expiration of this Agreement will accrue Royalty Fees upon Franchisee's receipt of such Gross Revenues.

6.15 Application of Funds Paid. If Franchisee is delinquent in the payment of any obligation to NAPC under this Agreement, or under any other agreement with NAPC, then NAPC may apply any payment from Franchisee to the oldest obligation due, whether under this Agreement or otherwise, whether or not there is any contrary designation by Franchisee.

6.16 Withheld Amounts. Franchisee may not withhold payment of any payment due under the terms of this Agreement or the Operations Manual on the grounds of the alleged non-performance or breach of any of NAPC's obligations under this Agreement or any related agreement, including agreements for consulting services or for the sale of products or other services by NAPC or its Affiliates.

6.17 Payment Amount Increases. Franchisee acknowledges that NAPC has the right to increase each payment identified in SECTION 6, with the exception of the Royalty Fee required in 6.2, with ninety (90) days advance written notice. NAPC will not increase any one category of payment more than once during the term of this Agreement.

6.18 Right to Sell Amounts Due to NAPC. NAPC has the right to sell, assign, transfer or grant a security interest in any amounts Franchisee owes to NAPC and to delegate the right to collect such amounts to third parties.

SECTION 7 DUTIES OF FRANCHISEE

7.1 Commencement Date. "Commencement Date" means the date Franchisee publish Franchisee's first Natural Awakenings magazine in Franchisee's exclusive territory. Before commencing operations under this Agreement, Franchisee must fulfill all the pre-opening obligations required by this Agreement and the Operations Manual ("Pre-Opening Obligations"). Franchisee must fulfill all the pre-opening obligations within six (6) months of executing the Agreement. Failure to publish Franchisee's Natural Awakenings magazine within twelve (12) months of executing the franchise Agreement or failure to fulfill all of the Pre-Opening Obligations, will be material and incurable breaches of this Agreement, which, unless waived by NAPC, will entitle NAPC to terminate this Agreement immediately upon notice to Franchisee, without opportunity to cure. NAPC will, in its sole discretion, determine whether Franchisee has fulfilled all the Pre-Opening Obligations. If NAPC terminates the Agreement for this or any other reason, all funds paid to NAPC to date, including the Initial Franchise Fee, will be deemed fully-earned and nonrefundable.

7.2 Manner of Operation. Franchisee will comply at all times with every provision of this Agreement, the NAPC System, the Operations Manual and all Supplements to the Operations Manual. Franchisee acknowledges that every component of the NAPC System is critical to NAPC, to other NAPC franchises, and to the operation of the Franchised Business. Franchisee will conduct the activities and operations of its Franchised Business at all times in compliance with the NAPC System, including but not limited to all cover art standards, editorial content and production procedures, and policies established by NAPC from time to time, as though specifically set forth in this Agreement. Franchisee agrees to disseminate to the public any and all promotional materials, which NAPC requires to be disseminated. NAPC provides Franchisees with ~~magazine~~ content material [for their magazine and website](#) (Publishers Options Package (POP)) on a monthly basis at no additional charge. If Franchisee does not use this material, NAPC has the right to request review and approval of Franchisee's replacement content, prior to the production of Franchisee's magazine [or posting to a website](#).

7.3 Best Efforts. Franchisee, and each person or entity executing a Personal Guarantee Agreement of Franchisee's obligations under this Agreement, and any other agreement between the parties, covenants, individually, to the extent set forth in this Agreement or the Personal Guarantee

Agreement, to use its best efforts in operating the NAPC Franchise and in recommending, promoting and encouraging the use of NAPC services.

7.4 Modifications to the NAPC System.

7.4.1 Franchisee acknowledges that NAPC may from time to time change the components of the NAPC System and the requirements applicable to the System. Such changes may involve: altering the products, programs, services, methods, standards, forms, policies and procedures of the System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those Services, programs and products which the Franchised Business authorized to offer, sell and provide; and changing, improving, modifying or substituting the Proprietary Marks.

7.4.2 Franchisee will comply with any such modifications, additions, deletions, substitutions and alterations; provided, however, that the changes will not materially and unreasonably increase Franchisee's obligations under this Agreement.

7.4.3 Franchisee acknowledges that the **Franchised** Business and the equipment, fixtures and supplies **thereof** specified and required at time of opening and acquired throughout the term of the Agreement, cannot be downsized or otherwise reduced without the express written consent of **NAPC**.

7.4.4 NAPC will not be liable to Franchisee for any expenses, losses or damages Franchisee sustains as a result of any of the modifications contemplated by this Section **7.4**. Franchisee will not commence or join in any litigation or other proceeding against NAPC, or its Affiliates, or any third party complaining of any such modifications or seeking expenses, losses or damages caused by such modifications. Franchisee waives any Claims or damages arising from or related to the above events.

7.5 Franchisee's Participation in the Operation of the Franchised Business.

7.5.1 Franchisee will personally and directly supervise the operation of the Franchised Business, unless NAPC waives such requirement in writing. Franchisee agrees to devote the amount of its time, attention and best efforts to the performance of Franchisee's duties under this Agreement that is necessary to properly and effectively operate the Franchised Business.

7.5.2 Franchisee represents and warrants that, as of the date Franchisee executes this Agreement, **it** will, or has designated, a Responsible Agent as shown on Schedule 3. The Responsible Agent must personally and directly supervise the operation of the Franchised Business; and, unless NAPC permits otherwise, must also serve as the Business Manager. The "**Business Manager**" will be responsible for all day-to-day administrative and management functions related to the Franchised Business. Franchisee **promptly** will notify NAPC of the death, **Disability** or termination of employment of the Responsible Agent. Franchisee must designate a successor or acting Responsible Agent no later than ten (10) days following the death, **Disability** or termination of employment of the Responsible Agent. Such successor must satisfy the requirements of **this Agreement**, must be approved by NAPC, and must possess any credentials required by the Operations Manual.

7.5.3 Franchisee must inform NAPC in writing of the identity of any successor Responsible Agent or Business Manager within ten (10) days of the change in designation. As soon as commercially reasonable, Franchisee must employ and train such successor Business Manager.

7.5.4 Franchisee, the Responsible Agent and/or the Business Manager, if they are not the same person, must attend and successfully complete the NAPC Initial Training Program.

7.6 Staffing Requirements. Franchisee will staff the Franchised Business in accordance with all criteria, specifications and directions set forth in the Operations Manual. All personnel employed by, contracted or affiliated with, Franchisee must maintain high standards of appearance, dress, manner and demeanor as described in the Operations Manual. Upon request, Franchisee will furnish to NAPC an updated list or roster of persons associated with its Franchised Business who are authorized to represent NAPC and perform business activities under the NAPC Marks. The roster will include the name, address, date of association and any other information that NAPC may reasonably request.

7.7 Ongoing Training. During the course of Franchisee's Natural Awakenings Business, NAPC will provide ongoing training for the support and development of their Natural Awakenings magazine businesses. NAPC requires that Franchisee attend and participate in these ongoing trainings. NAPC, at its discretion, may deliver these trainings through the use of teleconferencing, web or Internet communication systems or physical attendance at a location to be determined by NAPC. Franchisee is responsible for the expenses of travel, accommodations and any out-of-pocket costs necessary to allow Franchisee to attend these sessions. NAPC requires that Franchisee attend the NAPC Owners Conference at least once every two (2) years. These conferences will be held at locations to be determined by NAPC. The conferences are produced to include, but are not limited to, training, new product release announcements, and support to all Natural Awakenings magazine franchise owners. Franchisee ~~are~~is responsible for the cost of attending these conferences to the extent that travel, accommodations and any out-of-pocket expenses will be associated with Franchisee's attendance.

7.8 Compliance with Law. Franchisee will operate the Franchised Business in strict compliance with all federal, state and local laws and regulations pertaining, directly or indirectly, thereto. If at any time Franchisee receives a complaint, Claim or notice alleging a failure to comply with any law, rule or regulation applicable to its Franchised Business, Franchisee agrees to provide NAPC with a copy of the complaint, Claim or notice within three (3) days after Franchisee receives it.

7.9 Restrictions on Products and Services.

7.9.1 Franchisee will offer only the Natural Awakenings magazine and website using only the NAPC content, editorial and graphic layout specification that are authorized to the Franchisee to provide. All additional Services offered by Franchisee's **Franchised Business must first** be approved by NAPC **in writing**.

7.9.2 Franchisee may purchase branded products from NAPC or a qualified vendor providing the artwork is approved by NAPC and conforms to all corporate identification requirements as specified in Franchisee's Operations Manual.

7.10 Computer Hardware and Software.

7.10.1 Before the commencement of operation of the Franchised Business, Franchisee will procure and install at the Franchised Business, at Franchisee's expense, the computer system NAPC requires at that time, including but not limited to hardware, software, dedicated telephone and power lines and other computer-related accessories, peripherals and equipment specified in the Operations Manual.

7.10.2 If NAPC determines that it will prove economically or systemically beneficial to Franchisee and to NAPC, NAPC may require Franchisee to add memory, ports, accessories, peripheral equipment and additional, new or substitute software or hardware as NAPC deems necessary to improve the performance of the NAPC System. NAPC will notify Franchisee in writing at least sixty (60) days in advance of any such change in requirements. Franchisee will purchase from NAPC proprietary software whenever NAPC determines to adopt such a new software system-wide, at the prices and on the terms that NAPC establishes at that time.

7.10.3 Franchisee will upgrade or modify its computer, as necessary, to ensure that Franchisee's computer system is sufficiently compatible with NAPC's computer system such that NAPC's and Franchisee's computer systems may communicate electronically with each other.

7.10.4 Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. NAPC has taken reasonable steps to ensure that these problems will not materially affect the System. NAPC does not guarantee that information or communication systems supplied by NAPC or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps, including steps that NAPC may require, to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

7.11 World Wide Web.

7.11.1 NAPC has the unrestricted right to post Franchisee's listings and other information about the Franchised Business and Franchisee's local customers on the NAPC internet website.

7.11.2 Franchisee agrees to comply with the following requirements, and any and all applicable requirements set forth in the Operations Manual:

7.11.2.1 Franchisee acknowledges that all information gathered by means of Franchisee's website(s) (including, without limitation, client lists) is the property of NAPC. NAPC is the sole owner of (1) the domain name for the websites(s) maintained in connection with the Franchised Business, and (2) the copyrights for all material which appears on Franchisee's website.

7.11.2.2 Franchisee may not use any of the Proprietary Marks in whole or in part as part of an e-mail or website address without NAPC's prior written approval. Any e-mail or website address that NAPC permits Franchisee to use will be NAPC's intellectual property, and will be deemed assigned to NAPC by virtue of Franchisee's use.

7.11.3 NAPC has the right to establish and host a website and, pursuant to the terms and conditions to be contained in the Operations Manual, provide Franchisee pages of content of NAPC's design promoting the NA Business. When established, Franchisee may not participate or market on any other website or other form of electronic media (including social technology, social media and social networking platforms) using the Proprietary Marks unless Franchisee first obtains written approval from NAPC.

7.12 Client Service Requirements. Franchisee will comply with all client service requirements, procedures and standards for client service as set forth in the Operations Manual.

7.13 Sales, Barter and Exchange. Bartering of any kind relating to the business and business services must be reported as Gross Revenue to Franchisor each month, other than goods or services received by the Franchisee to promote the Franchised Business. Failure to report any and all bartering done by the business or utilizing business services, shall place this Agreement in default in which could result in this Agreement being terminated. Bartering cannot exceed twenty-five percent (25%) of Franchisee's total Gross Revenue, in any given month. If Franchisee receives an offer to barter services that is more than twenty-five percent (25%) of its total monthly Gross Revenue, Franchisee may submit a written request for consideration to Franchisor prior to accepting the barter. Franchisor will provide an answer to Franchisee's request within fifteen (15) days of the request receipt.

7.14 Hours of Operation. Franchisee will continuously operate the Franchised Business on the days and during the minimum hours that NAPC may from time to time specify in the Operations Manual or otherwise. Franchisee may establish hours in addition to the required minimum hours.

7.15 Minimum Print Requirements. Franchisee must publish a minimum of 5,000 copies of its Natural Awakenings Magazine each month for the first six (6) months and 7,500 copies of its Natural Awakenings Magazine each month for the seventh and all other months of the Initial Term and each Renewal Term.

7.16 Adequate Reserves and Working Capital. Franchisee will maintain adequate financial reserves and working capital sufficient for Franchisee to fulfill all of its obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least six (6) months. Such reserves may be in the form of cash deposits or lines of credit.

7.17 Inspection and Operational Audit. NAPC may at any time during regular business hours enter the Franchised Business to conduct an inspection and operational audit to determine compliance with this Agreement and with NAPC's policies, procedures, programs, standards, specifications and techniques as set forth in the Operations Manual. Following any such inspection and operational audit, Franchisee will incorporate into its Franchised Business, at its own expense, any corrections and modifications NAPC requires—to maintain the standards of quality and uniformity NAPC prescribes. Franchisee will execute such changes as soon as is commercially reasonable.

7.18 Forms. Franchisee will use (i) all paper and electronic forms and formats specified by NAPC as part of the NAPC System; (ii) only the latest version of any form or format; and, (iii) will not use any unauthorized or obsolete form or format.

7.19 Testimonials and Endorsements. Franchisee will permit NAPC (or any of its authorized agents or representatives) to communicate in any manner with Franchisee's clients to procure client testimonials and endorsements of the Services, programs or products furnished by Franchisee, the NAPC System and any related services or products. Franchisee will cooperate with NAPC in procuring testimonials and endorsements. NAPC does not owe Franchisee any direct or indirect compensation for any resulting use of such testimonials or endorsements.

7.20 Services, Programs, Equipment, Products and Intellectual Property Developed by Franchisee. Franchisee irrevocably and permanently licenses to NAPC for incorporation into the

NAPC System and use by NAPC and its Affiliates, all of the following if developed by Franchisee or on behalf of Franchisee in conjunction with or related to the Franchised Business: programs, services, products, merchandise, goods and/or equipment used or sold by the Franchised Business; the means, manner and style of offering and conducting operations and accomplishing transactions in, at and from the Franchised Business; any business products, programs and services developed for the Franchised Business (including, without limitation, any computer software); all intellectual property created for, adopted by or purchased for the Franchised Business by Franchisee, or any of its affiliates; and all sales, marketing, advertising and promotional programs and campaigns developed by Franchisee or on Franchisee's behalf. NAPC will not be liable to Franchisee in any manner as a consequence of this irrevocable and permanent license.

7.21 No Statements by Franchisee. Franchisee will make no statements or comments to any media representative or any other third party without NAPC's prior written approval relating to the contents of this Agreement.

7.22 Quality Standards. NAPC may require Franchisee to discontinue providing any service or program, or using or selling any Service, program or product which, in NAPC's sole discretion, does not conform to the image of quality, ethics, source or other standards or specifications established by NAPC or associated with the NAPC Proprietary Marks.

7.23 Commercial Accounts. Franchisee will maintain its commercial accounts, including those with Approved Suppliers, in a current status. Franchisee will seek to promptly resolve any dispute with commercial suppliers.

7.24 Accounting and Bookkeeping System. Franchisee will utilize NAPC's standard bookkeeping or accounting systems and computer software and follow the general chart of accounts which NAPC ~~supply~~ supplies to Franchisee ~~via CD-ROM during the initial training program via intranet or other electronic file delivery method.~~ Franchisee will submit all electronic or other bookkeeping records that NAPC prescribes in the Operations Manual. ~~NAPC will provide through the initial training program, instruction on the use of this system.~~ Franchisee is solely responsible for performing all bookkeeping, record keeping and accounting duties prescribed under this Agreement or in the Operations Manual and for bearing the costs of such activities.

SECTION 8 ADVERTISING

8.1 Advertising, Defined. "Advertising" means any and all advertising, marketing, identification and promotional materials and programs of any type or nature whatsoever including (but not limited to) print, and broadcast advertisements; direct mail materials; telephone presentations; magnetic vehicle signage, brochures; client forms, worksheets and solicitation materials; advertising specialties; internet banner ads, pages or other communications by computer network or computer "bulletin boards"; business cards; press releases signs; posters; displays; leaflets; newspaper and magazine advertisements and inserts; promotional and general mailings; telephone greetings, messages and voicemail accessible by clients or other third parties; promotional material on videotape, CD-ROM or other electronic media; and any other communication which NAPC identifies as "advertising" in the Operations Manual.

8.2 Requirements and Limitations for Local Advertising by Franchisee. Franchisee has no requirements for advertising outside of their Natural Awakenings magazine. If Franchisee plans to advertise outside of the Natural Awakenings Magazine Franchisee may only use advertising

furnished or approved in writing in advance, as provided in Section 8.3 below. Neither the fact that NAPC neither furnishes the material nor approves the material directly or indirectly requires NAPC to pay for any advertising, identification or promotion. Franchisee will conduct all advertising which utilizes the Proprietary Marks or refers in any way to the Franchised Business in a dignified manner, and in a manner calculated to avoid fraud, deception, misrepresentation and/or embarrassment, shame, disparagement or liability of any type or nature whatsoever accruing to NAPC, Franchisee, the Franchised Business, the NAPC System, or NAPC Affiliates. Franchisee will conform all advertising to all applicable laws, rules and regulations as well as the standards, specifications and requirements set forth in the Operations Manual. If NAPC discovers that Franchisee has breached the provisions of this Section 8.2, NAPC will notify Franchisee in writing of the facts, which NAPC believes have given rise to a breach. If Franchisee does not cure the breach within three (3) days following delivery of the notice, then NAPC may terminate or remove any unauthorized advertising at Franchisee's expense. NAPC also will be entitled to terminate this Agreement immediately upon notice to Franchisee.

8.3 Submission of Proposed Local Advertising. Except for local advertising materials, programs and campaigns furnished by Franchisee to NAPC, and for which NAPC has granted its approval, ~~Franchisee will submit to NAPC for approval, before use or dissemination, copies of all~~ proposed advertising placed outside of the ~~Franchisees~~ Franchisee's Natural Awakenings magazine must be done in compliance with NAPC's standards (as broadly defined in Section 8.1 above), which NAPC has the right to review.

8.4 National Advertising Services. NAPC has the right to maintain local and/or regional advertising cooperatives for the benefit of the entire franchise system (a "National Advertising Program"). There is no charge to Franchisee for participation in the National Advertising Program, however Franchisee must agree to participate as follows:

8.4.1 NAPC will implement advertising within NAPC's franchisees' local areas, utilizing programs and media selected by NAPC and on marketing and promotion vehicles intended to further general public recognition of the Proprietary Marks for the benefit of the NAPC System

8.4.2 At some time in the future, it may be necessary for NAPC to establish a National Advertising Cooperative and charge a fee for participation therein. When and if this should become necessary, Franchisee must agree to contribute to the **National Advertising Cooperative**. The amount of contributions Franchisee must pay to the proposed cooperative will be one percent (1%) of Franchisee's Gross Sales.

SECTION 9 RECORDS; AUDITS; REPORTING REQUIREMENTS

9.1 Records and Audits. Franchisee will keep full and accurate books of accounts and other records, in compliance with the procedures and specifications which are prescribed in the Operations Manual, which may be necessary to properly ascertain and verify the amounts payable to NAPC hereunder. Said books of account will be kept at the Designated Office unless NAPC otherwise approves. Said books and the supporting data will be open at mutually agreed upon times during regular business hours for five (5) years following the end of the calendar year to which they pertain, to the inspection of NAPC or a mutually acceptable certified public accountant for the purpose of verifying Franchisee's sales statements or compliance in other respects with this Agreement. NAPC may inspect, audit and make copies of all business records. Should such inspection lead to the discovery of a discrepancy in reporting of Gross Revenues that equals or

exceeds five percent (5%), Franchisee will promptly reimburse NAPC for the Full Audit Cost (as defined in Section 9.2 below) of such inspection in addition to any amounts due to NAPC. Franchisee's understatement will be a material and incurable breach of this Agreement, which unless NAPC waives such breach, will entitle NAPC to terminate this Agreement immediately upon notice to Franchisee, with no opportunity to cure.

9.2 Reporting Requirements. No later than ninety (90) days following the end of each fiscal year, Franchisee will furnish NAPC, in a form NAPC approves, (i) a statement of the Franchisee's profit and loss for the fiscal year, (ii) a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by Franchisee, and (iii) such other information as NAPC may require from time to time, including production and labor cost reports, marketing and advertising expenditure reports, and sales and income tax statements. Franchisee must certify that the information in each such report and financial statement is true and complete. NAPC reserves the right, in its sole discretion, to require such annual financial statements to be audited by an independent certified public accountant. If the basis of the audit is Franchisee's failure to comply with Section 9.1, Franchisee will bear the full cost of the audit for the entire period of examination ("Full Audit Cost") including, without limitation, the charges of any attorneys and independent accountants; all travel expenses, room and board; and, compensation of NAPC's employees and designated agents who participated in the audit.

SECTION 10 INSURANCE

10.1 Required Insurance. NAPC imposes and prescribes minimum standards and limits for certain types of insurance coverage. NAPC may modify the required minimum limits of insurance coverage from time to time by written notice to Franchisee, by means of supplements to the Operations Manual or otherwise. Upon receipt or attempted delivery of such written notice, Franchisee will immediately purchase insurance conforming to the newly established standards and limits NAPC prescribes. Franchisee will, within ten (10) days following NAPC's execution of this Agreement, obtain and keep in force throughout the term of this Agreement and for a period of one (1) year from the date of the last delivery of Services hereunder, policies of insurance providing the following coverage, issued by an insurer with a minimum rating of A by A.M. Best:

10.1.1 Commercial general liability insurance and contractual liability insurance with a minimum limit of **One Million Dollars** (\$1,000,000.00) combined single limit coverage per occurrence. Such insurance may not have a deductible or self-insured retention of over **Five Thousand Dollars** (\$5,000.00).

10.1.2 Professional liability insurance in the coverage amounts, if any, required by applicable state law or by NAPC from time to time in its reasonable discretion.

10.1.3 Fire and extended coverage insurance on Franchisee's Franchised Business and property in an amount adequate to replace both the Office and the property in case of an insured loss.

10.1.4 Business interruption insurance in sufficient amounts to cover the rental of the Office, previous profit margins (in order that NAPC receives the monthly payments which would have been due were it not for the interruption), maintenance of competent personnel and other fixed expenses during the life of the business interruption.

10.1.5 Workers' compensation and employer's liability insurance in the amount required by statute, unemployment insurance and state disability insurance (as required by law).

10.1.6 Insurance coverage of such types, nature and scope sufficient to satisfy Franchisee's indemnification obligations under this Agreement.

10.2 Additional Insureds. All policies are to contain language making NAPC an additional insured as its interest may appear, except for workers' compensation coverage, for Claims relating to, arising out of, or made in connection with this Agreement.

10.3 Certificate of Insurance. Upon NAPC's request, Franchisee will submit a certificate of such insurance or coverage letter to NAPC on or before the date the Franchised Business is Open for Business and thirty (30) days prior to the execution of any Renewal Agreement, as defined in Section 3.6.2. The certificate(s) of insurance or coverage letters delivered to NAPC hereunder will specify the dates such coverage expires and provide further that Franchisee will provide thirty (30) days prior written notice to NAPC of any cancellation of coverage, material reduction in the amount of coverage or elimination of coverage.

10.4 Purchase of Insurance on Franchisee's Behalf. If Franchisee fails to purchase insurance conforming with the standards and limits prescribed by NAPC in Section 10.1 above or in the Operations Manual, NAPC in its sole discretion may (but is not required to) obtain the insurance necessary to meet such standards on behalf of Franchisee, through agents and providers of NAPC's choice. In the event that NAPC purchases insurance on behalf of Franchisee, it will immediately notify Franchisee. Within ten (10) business days of receiving such written notification, Franchisee must pay the required premiums directly to the insurer. If Franchisee fails to pay timely the required premiums, Franchisee authorizes NAPC to debit the Bank Account to reimburse itself for the premiums, plus an administrative fee of One Hundred Dollars (\$100.00) per month. Nothing in this agreement imposes any duty or obligation on NAPC to obtain or maintain any specific forms, kinds or amounts of insurance coverage on behalf of Franchisee.

10.5 Notice of Claims. Franchisee will notify NAPC of all actions, suit, proceeding, claim, demands, inquiries, investigations, legal actions or arbitral proceedings (collectively, "Claims"), asserted or commenced against NAPC, Franchisee, the Responsible Agent or Franchised Business within two (2) days of Franchisee's receiving notice of any such Claim. Franchisee also will respond to all Claims within the time required by law, rule or regulation. Franchisee will cooperate with NAPC (or its designee) in every way possible to defend itself and NAPC against all Claims made by employees, clients or other third parties. Franchisee will make all appearances NAPC deems necessary at administrative or other hearings to present or reinforce such defenses. (See also, Section 11.2.)

10.6 Failure to Purchase Required Insurance. Failure to purchase or maintain any insurance required by this Agreement, or Franchisee's failure to reimburse NAPC for NAPC's purchase of insurance under Section 10.4, is a material breach of this Agreement which, unless cured by Franchisee as set forth in Section 19.3 or waived by NAPC, will entitle NAPC to terminate this Agreement immediately upon notice to Franchisee.

SECTION 11
RELATIONSHIP OF PARTIES AND INDEMNIFICATION

11.1 Independent Contractor. Franchisee is and will be an independent contractor. Nothing contained in this Agreement will be construed to create a partnership, joint venture, employment or other relationship between the parties. Neither Franchisee nor NAPC will act as an agent for the other or as guarantor or surety for the obligations of the other. Franchisee does not have the authority to bind or obligate NAPC in any way by any representation.

11.2 Indemnification. Under no circumstances will either party be liable for any act, omission, contract, debt, expense, or other obligation of the other party, including any violation of the intellectual property rights of third parties. Franchisee will indemnify and hold NAPC, its Affiliates, assigns, designees, officers, directors, employees, agents, attorneys, shareholders, contractors, representatives and officials (collectively, the “Indemnitees”) harmless against any such claim and the cost (including reasonable attorneys’ fees) of responding to, defending, settling or paying each such claim arising, directly or indirectly, from, as a result of, or in connection with, Franchisee’s operation of the Franchised Business during and after the Term of this Agreement. This indemnification will specifically include claims from franchisees relating to all services that Franchisee has agreed or subsequently agrees or undertakes to perform on NAPC’s behalf.

11.2.1 Excluded from this indemnity is any liability arising from the gross negligence or intentional willful misconduct of the Indemnitees, except to the extent that joint liability is involved, in which case the indemnification provided by this Section 11.2 will extend to any finding of comparative or contributory negligence attributable to Franchisee or any of the Indemnitees, as the case may be.

11.2.2 Franchisee will provide NAPC with written notice of any Claim within two (2) days of Franchisee’s actual or constructive knowledge of such Claim. At Franchisee’s expense and risk, NAPC may elect to assume (but is not obligated to undertake) the defense or settlement of the Claim. If NAPC so elects, it will seek Franchisee’s advice and counsel and keep Franchisee informed with regard to the defense or contemplated settlements. All losses and expenses incurred under this Section 11.2 will be chargeable and paid by Franchisee pursuant to its indemnity obligations herein, regardless of any actions, activity or defense undertaken by NAPC or the subsequent success or failure of the actions, activity, or defense.

11.2.3 To protect persons, property, or its goodwill, NAPC retains the right to consider, offer, order, consent or agree to settlements or to take any other remedial or corrective actions NAPC considers expedient with respect to a Claim if, in NAPC’s sole judgment, it is prudent to so do.

11.2.4 Under no circumstances will NAPC or the other Indemnitees be required to seek recovery from third parties or otherwise mitigate their losses to maintain a Claim against Franchisee. Franchisee acknowledges that failure to pursue recovery from third parties or mitigate loss will in no way reduce the monies recoverable by NAPC or the other Indemnitees from Franchisee.

11.2.5 The indemnification obligations of this Section 11.2 will survive the expiration or sooner termination of this Agreement.

SECTION 12
CONFIDENTIAL INFORMATION

12.1 Confidential Information, Defined. Franchisee acknowledges that, as of the date of execution of this Agreement, it has or will acquire knowledge of confidential matters, trade secrets

(as defined by applicable state law, as the same may be subsequently amended), recruiting techniques, operations, accounting and quality control procedures, and other methods developed by NAPC through and in the NAPC System and that the unique and novel combination of “know how” and methods developed by NAPC (“Confidential Information”) and licensed to Franchisee by NAPC, are peculiar to NAPC and are necessary and essential to the operation of the Franchised Business. Franchisee further acknowledges that the Confidential Information was not known to Franchisee prior to negotiation for, and execution of, this Agreement. Franchisee acknowledges that Confidential Information includes, but is not limited to, the following: the terms of this Agreement, the NAPC System and all Services, products, programs, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are part of the NAPC System; the Operations Manual; Supplements to the Operations Manual; all procedures, systems, techniques and activities employed by NAPC or by Franchisee in the course of offering, selling and furnishing Services, programs or products from, or at, the Offices; all commission and/or pricing paradigms established by NAPC or by Franchisee; all of NAPC’s and Franchisee’s sources (or prospective sources) of supply, and all information pertaining to same, including pricing structures; specifications for magazine layout and/or content, equipment, signage and appurtenance; the computer hardware, software and peripherals utilized by NAPC and Franchisee; all information pertaining to NAPC and Franchisee’s advertising, marketing, promotion and merchandising campaigns, strategies, philosophies, materials, specifications and procedures; NAPC’s, Franchisee’s, and Licensee/Agents’ internet websites and all information posted on, or received at, such websites; all NAPC training and instructional materials, quality assurance programs, supervision systems, recommended services, record keeping, bookkeeping and accounting systems and documents; revenue reports; activity schedules; job descriptions; records relating to clients; business forms; client lists; general operations materials; additions to, deletions from, and modifications and variations of the components of the NAPC System or the systems and methods of operation which NAPC employs now or in the future, including all related standards and specifications and the means and manner of offering and selling them; and all other components, specifications, standards, requirements and duties which NAPC or its Affiliates impose. Notwithstanding the foregoing, Confidential Information does not include information which Franchisee can demonstrate legally and properly came to its attention before NAPC disclosed it to Franchisee or which, at or after the time of disclosure, became publicly known through publication or communication by third parties, but not through any act of Franchisee.

12.2 Treatment of Confidential Information.

12.2.1 During the Initial Term and the term of any Renewal Agreement, and for a period of two (2) years after termination or expiration of this Agreement and any Renewal Agreement, Franchisee and each guarantor will treat NAPC’s Confidential Information as though it were Franchisee’s own. Franchisee, its officers, directors, shareholders, management, Business Manager, sales associates and employees may only use and disclose such Confidential Information as is necessary to operate the Franchised Business, and then only on a “need to know” basis, to those of Franchisee’s officers, directors, shareholders, management, Business Manager, Responsible Agent and employees who need access to such Confidential Information for such purpose. Franchisee agrees that it will not use Confidential Information in the design, development or operation of a Competitive Business, as defined in Section 13.1.1. Franchisee agrees that if it engages as an owner, operator or in any managerial capacity in any such Competitive Business, Franchisee will assume the burden of proving that it has not used NAPC’s Confidential Information, trade secrets, methods of operation or any proprietary components of the NAPC system. The protection granted hereunder will be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded in law or in equity.

12.2.2 Franchisee and each guarantor will not communicate, directly or indirectly, nor divulge or use for its benefit or for the benefit of any other person or legal entity, any information deemed Confidential Information hereunder, and will comply with guidelines established by NAPC for the purpose of protecting such information. Franchisee will not copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing the Confidential Information, in whole or in part, or store it in a computer database or other electronic format. Franchisee will require its employees and independent contractors to execute a Confidential Information Nondisclosure Agreement in a form provided in the Operations Manual. Franchisee will be responsible for compliance of its shareholders, officers, the Responsible Agent, the Business Manager, each employee, independent contractor and agent with the provisions in this SECTION 12. Upon expiration or termination of this Agreement, Franchisee will return to NAPC (or, upon NAPC's request, destroy and certify such destruction to NAPC) all Confidential Information which is then in Franchisee's possession.

SECTION 13

FRANCHISEE'S COVENANTS NOT TO COMPETE

13.1 In-Term Covenant Not to Compete.

13.1.1 Franchisee will not, without NAPC's prior written permission, on its own account or as an owner, employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, directly or indirectly engage in, be connected with, have any interest in or assist any person or entity engaged in any mobile, open-air advertising business, or other related business that is in any way competitive with or similar to the business conducted by NAPC or NAPC franchises (a "**Competitive Business**"), nor offer confusingly similar products or services that are offered by NAPC. It is the intention of both parties to this Agreement that this SECTION 13 binds any person or entity with any legal or beneficial interest in, or traceable to, down, or through Franchisee.

13.1.2 Franchisee is prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. Franchisee will not divert any business that could be handled by the Franchised Business to any other person or entity. This Section 13.1 prohibits not only direct competition but also any form of indirect competition, including but not limited to, consulting for a Competitive Business, acting as an independent contractor for a Competitive Business, or assisting or transmitting information of any kind, which would be of any assistance to a Competitive Business.

13.1.3 For avoidance of doubt, neither Franchisee nor any of its partners, proprietors, shareholders, directors, members, trustees, trustors or beneficiaries or any person or entity having any legal or beneficial interest, including (without limitation) the Franchisee's spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of the Franchisee; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and the Franchisee named as included or having an interest in Franchisee may own, for investment purposes, any capital stock of a Competitive Business.

13.1.4 **To** preserve the value and integrity of the NAPC System, Franchisee may not accept any advertising business, sales or contracts or participate in business with any competing business or "natural magazine" business outside of the NAPC network.

13.1.5 Franchisee may participate in industry groups or organizations; provided, however, Franchisee will not disclose any Confidential Information in violation of Section 12 or any other provision of this Agreement.

13.2 Post-Term Covenants. Franchisee, its partners, proprietors, shareholders, directors, members, trustees, trustors, beneficiaries, the Business Manager, the Responsible Agent, and any person named in Section 13.1.3 as included or having an interest in Franchisee will not, for a period of two (2) years after the termination or expiration of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, limited liability company, partnership or corporation, directly or indirectly, (a) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any natural magazine business, which is located within the Approved Territory and which operates substantially similar to franchisees in the NAPC System; or (b) solicit or induce any person who is, at the time of termination or expiration of this Agreement, retained as a sales representative of any NAPC franchisee to stop serving as an agent for that party; or (c) divert or attempt to divert any business or customer of a NAPC franchisee to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the NAPC System. The parties expressly agree that the limitations contained in this Section are reasonable and necessary to protect NAPC and other NAPC franchises if this Agreement expires or is terminated by either party for any reason. Franchisee will require its partners, proprietors, shareholders, directors, members, trustees, trustors, beneficiaries, the Business Manager, the Responsible Agent, and any person named as included or having an interest in Franchisee, to execute a Confidential Information Nondisclosure and Noncompetition Agreement in the form of Exhibit B, which will prohibit competition by such persons during and for a period of two (2) years after termination of their employment with Franchisee in any competing business within the Approved Territory and which will further prohibit disclosure by such parties to any other person or legal entity of any Confidential Information. Franchisee will vigorously prosecute breaches of any Confidential Information Nondisclosure and Noncompetition Agreement executed pursuant to this Section 13.2. NAPC will be a third party beneficiary of confidentiality agreements executed by Franchisee and its employees and independent contractors, a sample form of which is provided in the Operations Manual, and Franchisee will not amend, modify or terminate any such agreement without NAPC'S prior written consent. NAPC reserves the right, to be exercised in its sole discretion, to enforce the terms of each such executed confidentiality agreement, including, without limitation, the right to bring civil actions to enforce its terms.

13.3 Enforcement of Covenants Not to Compete. Franchisee acknowledges that the provisions of this SECTION 13 are necessary to protect the legitimate business interests of NAPC and other NAPC franchisees including, without limitation, prevention of damage to or loss of goodwill associated with the Proprietary Marks, prevention of the unauthorized dissemination of marketing, promotional and other Confidential Information to Competitive Businesses, protection of the Proprietary Marks, and the integrity of the NAPC System, and the prevention of duplication of the NAPC System. Franchisee also acknowledges that damages alone cannot adequately compensate NAPC if there is a violation of this Section by Franchisee, and that injunctive relief against Franchisee is essential for the protection of NAPC and its Affiliates. Franchisee acknowledges therefore that, if NAPC alleges that Franchisee has breached or violated this SECTION 13, then NAPC will have the right to obtain injunctive relief against Franchisee, in addition to all other remedies that may be available to NAPC without the need to present evidence of irreparable injury. NAPC will not be required to post a bond or other security in any action where NAPC is seeking to enjoin Franchisee from violating this SECTION 13.

13.4 Lesser Included Covenants Enforceable at Law. If all or any portion of the covenants not to compete set forth in this SECTION 13 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency is empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenant. Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of this SECTION 13.

SECTION 14 PROPRIETARY MARKS

14.1 Ownership of Proprietary Marks. The Proprietary Marks are the exclusive property of NACP. Nothing in this Agreement gives Franchisee any right, title or interest in or to any of NACP's or its Affiliates' Proprietary Marks, except as a mere privilege and license, during the Initial Term of this Agreement, to display and use the Proprietary Marks in the operation of its Franchise and as outlined in the Operations Manual. Franchisee understands that the limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Schedule 1, so long as NACP does not subsequently withdraw one or more of the Proprietary Marks from use. All of Franchisee's uses of the Proprietary Marks, whether as a trade mark, trade name or service mark, including any good will engendered by such uses, will inure to NACP's benefit.

14.2 Acts in Derogation of the Proprietary Marks. Franchisee will not assert any claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of its licensed use of the Proprietary Marks, or for any other reason. Franchisee will not do, or permit any act or thing to be done, in derogation of any of NACP's rights in connection with the Proprietary Marks, either during or after the Initial Term. Franchisee will not apply for or obtain any trademark or service mark registration for any of the licensed Proprietary Marks or any confusingly similar marks in Franchisee's own name. Franchisee will use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement.

14.3 Non-Use of Trade Name. NACP has approved the assumed business name set forth on Schedule 3. Franchisee must conduct its NACP Franchise under that assumed business name, and may not change this assumed business name without NACP's prior written permission. Franchisee will identify itself as a franchisee, but not an agent of NACP's. Franchisee may not use any other trade name or marks in connection with its Franchise, unless with prior approval of NACP in writing. Notwithstanding the foregoing, if Franchisee is a corporation, partnership or limited liability company, Franchisee may not use the Proprietary Marks, or any confusingly similar words or symbols, in its corporate, partnership or limited liability company name. For avoidance of doubt, Franchisee may not use the word "Natural Awakenings" or any variant as part of its corporate, partnership or limited liability name.

14.4 NACP's Defense of Proprietary Marks and Prosecution of Infringers.

14.4.1 Franchisee will promptly notify NACP if Franchisee receives notice, is informed, or learns of any Claim against Franchisee related to any alleged infringement, unfair competition, or other Claim relating to the use of the Proprietary Marks. NACP will take any action it deems necessary to protect and defend Franchisee against such Claim. NACP will defend compromise and settle such Claim at its sole cost and expense. Franchisee may not settle or compromise such Claim by a third party without NACP's prior written consent. Franchisee will fully cooperate with NACP in connection with the defense of such Claim. Franchisee grants irrevocable authority to NACP and appoints NACP as Franchisee's

attorney in fact, to defend and/or settle all Claims falling within this Section 14.4. Franchisee, at its sole discretion, may join in the defense or settlement of such Claims, but NAPC's counsel will be lead counsel and NAPC's decisions with regards to any settlement will **control and will** be final. NAPC will indemnify Franchisee against any loss, cost, or expenses incurred in connection with such Claim, so long as the Claim is based solely on any alleged infringement, unfair competition or other Claim relating to the use of the Proprietary Marks; provided however that, NAPC will have no obligation to defend Franchisee pursuant to this Section 14.4 if the Claim arises out of, or relates to Franchisee's use of any of the Proprietary Marks in violation of the terms of this Agreement.

14.4.2 Franchisee is obligated to promptly inform NAPC of any unauthorized use of the Proprietary Marks. If Franchisee receives notice, is informed or learns that any third party, who Franchisee believes is not authorized to use the Proprietary Marks, is using either the Proprietary Marks or any confusingly similar variant of the Proprietary Marks, Franchisee promptly will inform NAPC in writing. NAPC, in its sole discretion, will determine whether to take action against the third party. Franchisee has no right to make any demand or prosecute any Claim against an alleged infringer of the Proprietary Marks for any alleged infringement.

14.5 Discontinuance or Substitution of Proprietary Marks. If NAPC decides, in its sole discretion, to modify or discontinue use of one or more Proprietary Marks and/or to adopt, designate or use one or more additional Proprietary Marks, Franchisee will comply with NAPC's instructions. NAPC will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions or deletions from the Proprietary Marks. Franchisee waives any claim against NAPC for expenses, losses or damages arising from NAPC's modification, discontinuation or addition to its list of Proprietary Marks.

SECTION 15 REASONABLE CONSENT; TIMELINESS

Whenever this Agreement may require the consent or approval of either party, such consent or approval will not unreasonably be withheld. Responses to such requests of approval will be given within a commercially reasonable period of time.

SECTION 16 FORM OF OWNERSHIP

16.1 General. Individuals desiring to do business as a corporation, partnership or Limited Liability Company will submit to NAPC in writing a statement including appropriate evidence of compliance with all of the requirements of this SECTION 16 as may be reasonably requested by NAPC. NAPC's written consent to operate as a business entity will be promptly given in the event of compliance with the requirements below. Nothing in this Agreement will be construed as permitting Franchisee to license the rights, duties and obligations contained in this Agreement to a corporation, partnership or limited liability company without assignment made in accordance with SECTION 18 of this Agreement.

16.2 Conditions of Entity Ownership. This Agreement is personal to the individual(s) signing as Franchisee. In the event that Franchisee desires to do business as a corporation, partnership or limited liability company, NAPC will give its written consent to the assignment of this Agreement to such entity only under the following terms and conditions:

16.2.1 If Franchisee is a corporation, limited liability company or any variant (**collectively, for convenience, hereinafter referred to as a “Corporation”**):

16.2.1.1 the Corporation must furnish NAPC with its Articles of Incorporation **or other creation document**; By-laws; other governing documents; list of officers, directors, shareholders, **partner and members** (including number and percentage of shares **or other equity** held); and such other documents as NAPC may reasonably request;

16.2.1.2 the capitalization of the Corporation must be approved in writing by NAPC. The individuals executing this Agreement will own or control at least fifty-one percent (51%) of the voting equity and, in the aggregate, at least fifty-one (51%) of all equity of the assignee entity, and retain such ownership or control during the Initial Term of this Agreement;

16.2.1.3 the Corporation must maintain a current list of all owners of record and all beneficial owners of any class of stock, general or limited partnership interest, membership interests or similar interest in Franchisee, and furnish this list to NAPC upon its request; and

16.2.1.4 the Corporation’s organizational documents may not be modified without NAPC’s prior written consent. No mortgage, charge, lien, encumbrance, assignment, pledge, transfer or other security interest in respect of any of Franchisee’s shares, capital stock, **general or limited partnership interest, membership interest** or equity interest **of any kind** may be created in favor of any person(s) or entity(ies) without NAPC’s prior written consent. No **ownership interest** in the Corporation may be sold or transferred without NAPC’s prior written consent.

16.2.2 If Franchisee is a partnership **or limited liability company**:

16.2.2.1 it must furnish NAPC with a copy of its partnership agreement **or operating agreement, as the case may be**, and any other documents which NAPC reasonably requests; and

16.2.2.2 it must **prepare** and furnish to NAPC a current list of all partners, **members** and proprietors upon request.

16.2.3 If Franchisee is a limited partnership **or Limited Liability Company**, the provisions set forth in Section 16.2.1 above will apply to Franchisee’s corporate general partner **or corporate member and/or manager, if any**.

16.2.4 All individuals executing this Agreement will remain personally jointly and severally liable for the performance of all obligations under this Agreement, irrespective of the formation of the entity and all equity holders of the assignee entity who have not signed this Agreement will execute the Personal Guarantee Agreement attached as Exhibit A.

16.2.5 The assignee entity must be legally authorized to do business in the state(s) where the Approved Territory is located and will at all times maintain itself in good standing in the state(s).

16.2.6 The assignee entity’s legal name will not contain any word, phrase or clause which is the same as, derivative of, or deceptively or confusingly similar to the trademarks, service marks, slogans, or trade names of NAPC, including but not limited to **“Natural Awakenings Publishing Corp.” or “NATURAL AWAKENINGS”**. Furthermore, the assignee entity’s legal name will not contain any whimsical, suggestive, coined or arbitrarily spelled words or acronyms that might conceivably become

known as service marks or trademarks or that might conceivably detract from or denigrate the distinctiveness of the NAPC marks.

16.2.7 If Franchisee is a corporation, partnership, limited partnership or proprietorship, Franchisee (and any assignee) will promptly notify NAPC in writing of any change in any of the information specified in this Section 16 or in any document referred to in this section.

SECTION 17 FRANCHISEE'S REPRESENTATIONS AND WARRANTIES

Franchisee represents and warrants that:

17.1.1 **if it is a corporation, partnership or limited liability company, it is** duly organized, validly existing under the laws of the state in which it is incorporated and duly qualified to do business in all jurisdictions in which it currently conducts its business;

17.1.2 at the time of the initial execution of this Agreement for the Initial Term as a NAPC Franchisee, it has no outstanding financial obligations, either solely or jointly, actual or contingent, other than those previously disclosed to NAPC in writing;

17.1.3 the execution and delivery of this Agreement is not prohibited by and will not violate any provision of, or result in any breach of, or accelerate or permit the acceleration of performance required by the terms of any applicable law, rule, regulation, decree, order or requirement of any governmental authority or any material contract with any third party, or the Articles of Incorporation, **other creation document** or By-laws of the Franchisee;

17.1.4 neither Franchisee nor any of its owners, shareholders, **partners or members** is a party, or has within the last ten (10) years been a party, to any litigation or legal proceedings other than as previously disclosed to NAPC in writing;

17.1.5 it is not a party to any contract, agreement or arrangement which limits or prohibits its entering into this Agreement or the performance of its obligations hereunder; and

17.1.6 it has the authority to enter into this Agreement and perform all of its obligations under this Agreement and that such execution and performance of this Agreement will not conflict with any other agreement to which the Franchisee is a party or by which it is bound.

SECTION 18 ASSIGNMENT; TRANSFER OF FRANCHISE

18.1 Assignment or Transfer. "Assignment" includes, but is not limited to, the transfer, issuance or redemption of more than ten percent (10%) of the assets, capital stock, voting power, partnership, membership or proprietorship interest (as the case may be) to any person or entity who is not already a: shareholder, member, partner, proprietor, spouse of any partner or proprietor, a trust controlled by a partner or proprietor whose trustee is a partner or proprietor, a corporation, partnership or limited liability company controlled and composed solely of shareholders, partners, members or proprietors, a shareholder of the Franchisee's general partner, a spouse of one of the Franchisee's general partner or manager, shareholders, a trust controlled by one of the Franchisee's general partner shareholders whose trustee is one of the Franchisee's general partner shareholders, or a corporation, partnership or limited liability company controlled and composed solely of one of the Franchisee's general partner shareholders. An Assignment

constitutes a “Change in Ownership”. Franchisee will immediately report to NAPC in accordance with the procedures set forth in the Operations Manual: (i) all Changes in Ownership in a corporate, partnership, general partnership, Limited Liability Company or proprietorship franchisee, and (ii) all changes in ownership wherein the amount of ownership transferred is ten percent or less than ten percent (10%).

18.2 Assignment by NAPC. NAPC may assign this Agreement or any rights or obligations created by it at any time without Franchisee’s consent, provided that, if such Assignment results in the performance by the assignee of NAPC’s functions under this Agreement: (i) the assignee must, at the time of Assignment, be financially responsible and economically capable of performing NAPC’s obligations under this Agreement, and (ii) the assignee must expressly assume and agree to perform such obligations.

18.3 Assignment by Franchisee. Except as provided herein, neither Franchisee’s interest in this Agreement, its rights, privileges or obligations under this Agreement, the Franchised Business, nor any interest in the Franchised Business may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, without obtaining NAPC’s prior written consent in accordance with this SECTION 18 or without first complying with NAPC’s right of first refusal pursuant to Section 18.4 below. Any actual or attempted Assignment, transfer or sale of this Agreement, the Franchised Business, Franchisee (if an entity) or of any interest in any of these, in violation of the terms of this Agreement will be void and will constitute a material and incurable breach of this Agreement which, unless NAPC waives the breach, will entitle NAPC to terminate this Agreement immediately upon notice to Franchisee, with no opportunity to cure.

18.4 NAPC’s Right of First Refusal. Franchisee’s rights to assign, transfer, redeem or sell (collectively, “Transfer”) any interest in this Franchise Agreement or the Franchised Business, voluntarily or by operation of law (as provided in Section 18.7 below) will be subject to NAPC’s right of first refusal. NAPC may exercise its right of first refusal in the following manner:

18.4.1 Franchisee must deliver to NAPC a true and complete copy of the proposed assignee’s offer (the “Notice”), including a record reflecting the receipt of an earnest money deposit of at least five percent (5%) of the Total Sale Price (as defined herein in Section 18.5.11), furnish to NAPC any additional information concerning the proposed transaction and the proposed assignee that NAPC reasonably requests.

18.4.2 Within thirty (30) days after NAPC’s receipt of the Notice (or, if NAPC requests additional information, within thirty (30) days after receipt of the additional information), NAPC may either consent or withhold its consent to the Transfer, in accordance with this Section, or at its option, accept the Assignment to NAPC or to its nominee, on the terms and conditions specified in the Notice. NAPC is entitled to all of the customary representations and warranties given by the seller of assets of a business, including, without limitation, representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and Franchisee’s contingent and other liabilities affecting the assets.

18.4.3 NAPC may audit and inspect **the Franchised Business**, and may investigate any other matters NAPC deems necessary or desirable to determine whether to exercise its rights under this Section. NAPC may conduct a commercially reasonable investigation. Franchisee, its **shareholders, partners, members**, officers and employees will fully cooperate with NAPC if it conducts any such audit, inspection or investigation in connection with the exercise of its rights under this Section.

18.4.4 NAPC's credit will be considered equal to the credit of any proposed purchaser. NAPC may substitute cash for any other form of payment proposed in the offer.

18.4.5 If NAPC exercises its right of first refusal, NAPC will have no less than ninety (90) days after notifying Franchisee of NAPC's election to exercise its right of first refusal to prepare for closing. Franchisee will take all action necessary, if applicable, to assign its lease agreement, **if any**, with the lesser of the Designated Office to NAPC.

18.4.6 If NAPC elects not to exercise its right of first refusal and it consents to the proposed Assignment, then Franchisee will, subject to the provisions of this Section, be free to assign this Agreement or the Franchised Business to Franchisee's proposed assignee on the terms and conditions specified in the Notice. If the terms of the Assignment are changed, the changed terms constitute a new offer, and NAPC will have a right of first refusal with respect to the new offer.

18.4.7 NAPC's election not to exercise its right of first refusal with regard to any offer will not affect its right of first refusal with regard to any later or modified offer. If NAPC does not exercise its right of first refusal, it will not constitute approval of the proposed transferee, assignee, redemption or the Assignment itself. Franchisee and any proposed assignee must comply with all of the criteria and procedures for Assignment of the Franchise, the Franchise Agreement and the Franchised Business specified in this Section 18.

18.5 Conditions for Approval of Transfer. Franchisee may not sell, assign or transfer the Franchise conveyed by this Agreement, the Franchised Business, or any interest in any of these, without NAPC's prior written consent. If NAPC does not exercise its right of first refusal (as provided in Section 18.4 above), NAPC will not unreasonably withhold consent to such Assignment. Franchisee acknowledges that it is not unreasonable for NAPC to impose, among other requirements, the following conditions to obtaining NAPC's consent to such Assignment:

18.5.1 Franchisee must comply with the right of first refusal provisions of Section 18.4 of this Agreement;

18.5.2 the Franchisee must furnish NAPC with a copy of the proposed contract of assignment (and any related agreements) and, promptly following execution, a copy of the executed contract of assignment (and any related agreements);

18.5.3 the proposed assignee must apply to NAPC for acceptance as a franchisee, and must furnish NAPC the information and references that NAPC reasonably requests to determine the proposed assignee's skills, qualifications, financial condition, background and history, reputation, economic resources and ability to assume Franchisee's duties and obligations under this Agreement and any other agreement between the parties;

18.5.4 the proposed assignee (or, if an entity, the principals of the proposed assignee) must present himself for a personal interview at NAPC's corporate office, or any other location NAPC designated, at a time and date NAPC reasonably requests, at the proposed assignee's expenses;

18.5.5 the proposed assignee (or if an entity, the principals of the proposed assignee) adequately demonstrates, to the satisfaction of NAPC, that he has the skills, qualifications, ethics, and economic resources to conduct the Franchised Business contemplated by this Agreement, and to fulfill Franchisee's obligations under this Agreement;

18.5.6 if this Agreement is being assigned, or if the Franchised Business is being sold, NAPC may require that the proposed assignee demonstrate a business record which is approximately comparable to that of Franchisee;

18.5.7 as of the date of the assignment, Franchisee must have paid any existing defaults under any provisions of this Agreement and must have fully satisfied all of Franchisee's accrued monetary and other obligations to NAPC and its Affiliates under this Agreement and any other agreement or arrangement with NAPC or its Affiliates;

18.5.8 the Franchisee must pay to NAPC the Transfer Fee set forth in Section 6.8;

18.5.9 The proposed assignee and its proposed Responsible Agent and/or Business Manager must attend and satisfactorily complete the Initial Training Program described in Section 4.1.1 before the Assignment will become valid. The fee for said training will be Three Thousand, Five Hundred Dollars (\$3,500.00) per attendee. All expenses for transportation, lodging, food and other related expenses will be borne by the attendee;

18.5.10 The Total Sale Price of the Assignment from Franchisee to the proposed assignee is not so excessive that, in NAPC's sole discretion, such Total Sale Price jeopardizes the continued economic viability and future operations of the Franchised Business and/or the proposed assignee. "**Total Sale Price**" means all consideration of every kind paid or payable to Franchisee or any other person, relating to the Assignment of the Franchise, the Agreement or the Franchised Business, whether money, property or other thing or service of value;

18.5.11 To assure the continuity in the publication of the Natural Awakenings Magazine, the closing of the transfer must take place between the first and tenth day of a calendar month, unless NAPC agrees to a different date;

18.5.12 If the Franchisee or any transferring Owner finance any portion of the purchase price for an Assignment of this Agreement or sale of the Franchised Business from the proposed assignee or its owners, Franchisee and the transferring Owner will have agreed that all obligations of the assignee under or pursuant to any promissory notes, agreements or security interests reserved by Franchisee and/or the transferring Owner in the transferred property will be subordinate to the obligations of the assignee to pay all amounts due to NAPC pursuant to the franchise agreement, and otherwise to comply with assignee's obligations under such franchise agreement; and, if the Franchisee or the transferring Owner foreclose on any security interest in such franchise agreement will not have any right to operate the Franchised Business without the prior written approval of NAPC;

18.5.13 The proposed assignee must execute a Confidential Information Nondisclosure and Noncompetition Agreement in the form of Exhibit B to this Agreement and a Personal Guarantee Agreement in the form of Exhibit A to this Agreement;

18.5.14 If this Agreement is being assigned, or the Franchised Business is being sold, the proposed assignee must execute a separate Franchise Agreement in the form and on the terms and conditions then generally being offered to similarly situated prospective franchisees. Notwithstanding the preceding sentence, the Approved Territory will be the same as the Approved Territory identified in this Agreement; NAPC will waive the Initial Franchise Fee; all other fees will be the same as the fees described in Section 6 of this Agreement; the term of the separate Franchise Agreement will expire on the date of expiration of this Agreement unless NAPC and the proposed assignee otherwise agree. The execution of the separate Franchise Agreement will terminate this Agreement; however, the Personal

Guarantee Agreements and the post-termination and post-expiration provisions under this Agreement will remain in effect;

18.5.15 The Franchisee (and all shareholders of a corporate Franchisee, and all partners of a partnership Franchisee, all **members of a limited liability company Franchisee**, all proprietors of a proprietorship Franchisee, all shareholders of a general partner of a limited partnership **Franchisee and all shareholders of a member of the limited liability company Franchisee**) must execute a general release, in a form satisfactory to NAPC, of any and all Claims, which Franchisee and Franchisee's partners, **members**, proprietors, directors, officers, shareholders, executors, administrators and assigns (as the case may be) may or might have against NAPC and its Affiliates, and their respective officers, directors, shareholders, agents, attorneys, contractors and employees in their corporate and individual capacities including without limitation, Claims arising under federal, state and local laws, rules and ordinances;

18.5.16 The proposed assignee, at its expense, must upgrade the Franchised Business to conform to the then-current standards and specifications of the NAPC System, and complete this upgrading within the time reasonably specified by NAPC;

18.5.17 At or prior to the transfer of all royalties, fees and other monies due and owing to NAPC and/or its Affiliates and liable to NAPC for all of its other obligations arising under this Agreement prior to the effective date of the Assignment, and will execute all instruments reasonably requested by NAPC to evidence such liability;

18.5.18 Franchisee, the Responsible Agent and/or Business Manager, commencing on the effective date of the Assignment, refrain, for a period of two (2) years immediately following the termination of this Agreement, from directly or indirectly engaging in any Competitive Business as provided in Section 13.2 of this Agreement, if the Competitive Business is within seventy five (75) miles of the perimeter of the Approved Territory, or within twenty five (25) miles of the perimeter of the Approved Territory of any other NAPC franchisee; and

18.5.19 All monies provided for payment of Franchisee's business by buyer will be made payable to NAPC and will be sent to NAPC. NAPC will subtract from these payments all funds due to NAPC and within twenty-four (24) hours of the clearance of these funds a check will be sent via overnight mail including the balance of these funds to the Franchisee (seller).

18.6 Consent to the Assignment of Any Lease Agreement. If Franchisee is leasing the building in which its Designated Office or Franchised Business is located, and if NAPC consents to an Assignment of this Agreement, the Designated Office and the Franchised Business, NAPC will consent to the assignment of Franchisee's lease agreement with its Designated office and Franchised Business lessor.

18.7 Indemnification for Claims Relating to Assignment. Franchisee will defend at its own cost and indemnify and hold harmless NAPC and the other Indemnitees (as defined in Section 11.2) from and against any and all losses, costs, expenses (including attorneys' and experts' fees and disbursements), court costs, travel and lodging costs, personnel costs, Claims and damages resulting directly or indirectly from, or pertaining to, any statements, representations or warranties that may be given by Franchisee to any proposed assignee of the Franchise, or any claim that Franchisee engaged in fraud, deceit, violation of applicable franchise laws or other illegality in connection with the negotiations leading to the consummation of the Assignment. The indemnification obligations set forth herein will survive the expiration of this Agreement.

18.8 Transfer Upon Death.

18.8.1 Upon Franchisee's death or Disability (if Franchisee is an individual) or the death or Disability of Franchisee's last surviving principal, partner, **member** or shareholder (if Franchisee is a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardian or representatives, as appropriate (collectively, the "**Estate**"). Disability will be determined upon examination of the person by a licensed practicing physician selected by NAPC before the end of the ninety (**90**) day period, when NAPC reasonably believes the person to be disabled. If the person refuses to submit to an examination, then the person will be automatically deemed permanently disabled as of the date of such refusal. NAPC will pay the cost of any examination required under this Section 18.7.

18.8.2 The Estate may continue the operation of the Franchised Business if

18.8.2.1 the Estate provides a competent and qualified individual acceptable to NAPC (which determination will be based substantially upon his skills, qualifications, ethics, and economic resources) to serve as Business Manager and Responsible Agent and operate the Franchised Business on a full-time basis;

18.8.2.2 such individual attends and completes the next offered Initial Training Program at the Estate's expense; and

18.8.2.3 such individual assumes full-time operation of the Franchised Business as Business Manager and Responsible Agent within sixty (60) days of the date the person dies or becomes Disabled.

18.8.3 Alternatively, the Estate may sell the franchise within sixty (60) days in accordance with the provisions of this SECTION 18. If the Estate sells the Franchise in accordance with the provisions of Section 18.7, no Transfer Fee will be required.

18.8.4 If the Estate does not comply with the provisions of Section 18.8.1, this will constitute a material breach of this Agreement, which unless cured by the Estate as provided in SECTION 19, will result in this Agreement being terminated immediately.

18.8.5 From the date of death or Disability until a fully trained and qualified Business Manager assumes full-time operational control of the Franchised Business, NAPC may assume full control of, and operate the Franchised Business, but will have no obligation to do so. The financial adjustments and deductions associated with NAPC temporarily operating the Franchised Business are provided in the Operations Manual. NAPC is not obligated to operate Franchisee's **Franchised Business** and if it does so, it is not responsible for any operational losses of the Franchised Business.

18.9 No Encumbrance. Franchisee may not pledge, encumber, hypothecate or otherwise given any third party a security interest in this Agreement, the Franchised Business or the Designated Office in any manner without NAPC's prior written permission, which NAPC, in its sole discretion, may withhold for any reason.

SECTION 19 DEFAULT; TERMINATION OF FRANCHISE

19.1 Termination by Franchisee. Franchisee may terminate this Agreement only with the prior written consent of NAPC, or with thirty (30) days written notice if NAPC is in default in the performance or observance of any agreement, covenant, provision or term contained in this

Agreement, which default remains uncured for more than thirty (30) days after written notice of default is given to NAPC.

19.2 Termination by NAPC with No Opportunity to Cure. Upon the occurrence of any of the events set forth in this Section 19.2, NAPC has the right to terminate this Agreement, at its option, without giving Franchisee any opportunity to cure the breach, effective immediately upon Franchisee's receipt of Notice of Default (as defined below).

19.2.1 Franchisee fails to be **Open** for Business by the Commencement Date, or to fulfill all of its Pre-Opening Obligations, as defined in Section 7.1;

19.2.2 Franchisee or any third-party affiliated with Franchisee has any direct or indirect interest in the ownership or operation of any business that is confusingly similar to an NAPC **Business** (described in Section 1.9) or uses the NAPC system or the Proprietary Marks;

19.2.3 Franchisee files, or has filed against it, a petition for bankruptcy, becomes insolvent, makes an assignment for the benefit of creditors, or goes into liquidation or receivership;

19.2.4 Franchisee, the Designated Manager or one of Franchisee's owners or shareholders commits a felony act or any act that is in violation of federal, state or local law which, in NAPC's sole discretion, adversely affects the goodwill or reputation of NAPC; does not comply, for a period of ten **(10)** days after notification of noncompliance by NAPC or any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of Franchisee's Franchised Business; makes a willful misrepresentation or **does** not make a material disclosure required by an governmental or quasi-governmental authority regarding any matter involving or affecting the operations of Franchisee's Franchised Business;

19.2.5 Franchisee copies, distributes or otherwise discloses Confidential Information to a third party;

19.2.6 Franchisee operates outside of **its** exclusive territory without prior written consent of NAPC;

19.2.7 Franchisee fails to bring its Franchised Business into compliance within a commercially reasonable time, but in no event more than thirty **(30)** days, after receiving written notice from NAPC that the Franchised Business is not in compliance with NAPC standards and operational requirements as prescribed in this Agreement, the Operations Manual and the Supplements to the Operations Manual;

19.2.8 Franchisee takes, withholds, misdirects or appropriates for its own use any funds withheld from its employees' wages which should have been set aside for the Franchisee's employees' taxes, FICA, insurance or benefits; wrongfully takes or appropriates for Franchisee's own use NAPC's property or funds; systematically fails to deal fairly and honestly with Franchisee's sales associates, other personnel or clients; or knowingly permits or, having discovered the facts, fails to take any action against or to discharge any sales associate, agent, or employee who has embezzled NAPC's funds or property or that of any clients or others;

19.2.9 Franchisee voluntarily abandons the Franchise by failing to operate the Franchised Business in accordance with the terms of this Agreement for a period of ten (10) consecutive days, or for

twenty (20) days in any period of thirty (30) consecutive days, unless such failure is due to an Unavoidable Delay as described in SECTION 21;

19.2.10 Due to fire, flood, earthquake or other Act of God, Franchisee fails to operate the Franchised Business in accordance with the terms of this Agreement for a period of **one hundred eighty (180) days**, and also fails to seek and obtain NAPC's approval for relocation of the Franchised Business (as provided in Section 5.3);

19.2.11 There is a Change in Ownership as defined in Section 18.1 and Franchisee fails to comply with the requirements of Section 18.5;

19.2.12 Franchisee sells, leases, assigns, transfers, conveys, gives away, pledges, mortgages, or encumbers any interest in this Agreement, in the entity which owns Franchisee, or in any way removes the Franchise granted by this Agreement from the actual or legal supervision or control of Franchisee, or attempts to do any of same without the prior written consent of NAPC;

19.2.13 A threat or danger to public health or safety results from Franchisee's continued operation of the Franchised Business;

19.2.14 Franchisee fails to purchase or maintain any insurance required by this Agreement, or fails to reimburse NAPC for NAPC's purchase of insurance under SECTION 10; or

19.2.15 After curing a default pursuant to Section 19.3, Franchisee commits the same act of default again within four (4) months of the first act of default.

19.3 Termination by NAPC with Thirty Days to Cure. Subject to the provisions of Section 19.2, Franchisee will have thirty (30) calendar days after receiving a "Notice of Default" within which to remedy any default under this Agreement (or, if the default cannot reasonably be cured within such period, to initiate action to cure the default within that time), and to provide NAPC with evidence that Franchisee has so remedied or initiated action toward remedy. A "Notice of Default" is a written notification from NAPC identifying an alleged breach of this Agreement or a failure to comply with the Operations Manual. A Notice of Default will state whether such breach of failure is capable of cure and whether, in NAPC's discretion, cure can be effected within thirty (30) days. After delivery of a Notice of Default to Franchisee, NAPC has the right to suspend performance of any of its obligations until the default is cured or this Agreement is terminated. If Franchisee has not cured any default within thirty (30) days (or, as the case may be, if Franchisee has not initiated action to cure the default within such time) or any longer period of time as required by applicable law, NAPC has the right to terminate this Agreement upon expiration of the thirty (30) day period by sending written notice to Franchisee. Defaults under this Agreement which are subject to this Section 19.3 include, but are not limited to the following events:

19.3.1 Franchisee fails to pay, when due, any of its financial obligations to NAPC, including any Promissory Note given to NAPC as partial payment of the Initial Franchise Fee, within seven (7) business days of the date such payment is due;

19.3.2 Franchisee fails to submit to NAPC in a timely manner any information, certificate, or report which Franchisee is required to submit under this Agreement;

19.3.3 Franchisee fails to operate the Franchised Business in accordance with the Operations Manual or any other specifications or standards NAPC makes known to Franchisee from time to time;

19.3.4 Franchisee breaches any requirement, obligation, term or condition of this Agreement or any other agreement between Franchisee and NAPC, or any rule, procedure, amendment, or supplement to this Agreement established by NAPC;

19.3.5 Franchisee sells, uses or stocks any products not purchased from NAPC or through, an Approved Supplier, in violation of this Agreement;

19.3.6 Franchisee fails to obtain NAPC's prior consent, whenever required to do so by this Agreement;

19.3.7 Franchisee fails to comply with one or more provisions of this Agreement three (3) or more times in a thirty-six (36) month period, whether or not corrected after receiving related Notices of Default; or

19.3.8 Franchisee fails to open its Designated Office to the public and commence business operations on the Commencement Date.

19.4 NAPC's Right to Cure Defaults. In addition to all other remedies granted pursuant to this Agreement, if Franchisee defaults in the performance of any of its obligations, or breaches any terms or conditions of this Agreement or any related agreement, then NAPC may, at its election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to Franchisee, cure the default on Franchisee's behalf. NAPC's cost of curing the default and all related expenses is due and payable by Franchisee on demand.

19.5 Rights and Obligations After Termination or Expiration. Upon termination or expiration of this Agreement, Franchisee will:

19.5.1 Within thirty (30) business days, pay all royalties, fees and other monies due and owing to NAPC and/or its Affiliates;

19.5.2 Within ten (10) business days, pay all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties;

19.5.3 Immediately provide NAPC with a list of pending transactions that are subject to a prior binding written agreement ("**Pendings**") [and all customer, subscriber and other lists](#), as of the date of termination or expiration, [in electronic or written format, as NAPC directs](#). Upon Franchisee's receipt of any Gross Revenues in connection with any of such Pendings, Franchisee immediately must notify NAPC of the receipt of such Gross Revenues;

19.5.4 Permit NAPC, at any time between the date of termination or expiration and the thirtieth (30th) day after the date of termination or expiration, with or without notice, during regular business hours, to enter the premises of the Franchised Business (or any other location where records are maintained) to inspect, audit and make copies of all records, including the books or records of any corporation or individual(s) which owns the Franchised Business, with Franchisee's full cooperation;

19.5.5 Deliver to NAPC all property of NAPC's, including but not limited to, the Operations Manual, customer lists, customer contact information, display items, advertising and promotional materials, any and all materials which bear the Proprietary Marks, advertising contracts, forms and other materials, and any copies of them in Franchisee's possession. (Franchisee may retain no copy or record of any of the aforementioned documents, except for its copy of this Agreement, any

correspondence between the parties and any other documents which Franchisee reasonably needs to comply with any law);

19.5.6 Immediately discontinue use of the Proprietary Marks and not operate or do business under any name or in any manner which might tend to give the general public the impression that Franchisee is operating a NAPC Franchised Business; do not establish any website using any similar or confusing domain names and/or e-mail addresses, Franchisee may not identify itself on any website as a former franchisee of NAPC's, and Franchisee may not use the Proprietary Marks or any colorable imitation of any of them in any metatag; take all necessary action to cancel with federal, state or local governmental authorities any assumed name or equivalent registration which contains the Proprietary Mark, "NAPC", or any other Proprietary Mark of NAPC's, or any variant;

19.5.7 Irrevocably assign and transfer to NAPC (or to another Affiliate or other designee of NAPC's) any and all interests Franchisee may have in any and all ~~website~~websites, domain names ~~and~~, e-mail addresses and social media pages not identified in Schedule 3 to this Agreement that Franchisee maintains in connection with the Franchised Business;

19.5.8 Immediately execute all agreements necessary to effectuate the termination or expiration in a prompt and timely manner;

19.5.9 Take any steps that, in NAPC's sole judgment, are necessary to delete Franchisee's listings from any and all telephone directories; cease using the telephone numbers listed in any telephone directories under the name "NAPC" or any other confusingly similar name or, upon NAPC's request, direct the telephone company to transfer the telephone numbers listed for the Franchised Business in any telephone directories to NAPC or to any other person or entity that NAPC directs; terminate any other references or identifications that indicate to third parties that Franchisee formerly was associated with NAPC, including but not limited to such references included in telephone greetings and voice mail messages;

19.5.10 Continue to abide by those restrictions pertaining to the use of Confidential Information as set forth in SECTION 12; and

19.5.11 Immediately execute all agreements necessary to effectuate the transfer of the telephone and/or fax numbers previously used in the operation of the Natural Awakenings business. Such transfer must be completed with fifteen (15) days of termination.

19.6 Power of Attorney. Contemporaneously with the execution of this Agreement, Franchisee must also execute the Power of Attorney attached as Exhibit C, by which Franchisee appoints NAPC as its attorney-in-fact to take the actions described in Section 19.5 if Franchisee fails or refuses to do so within ten (10) business days after termination or expiration of this Agreement. If the Franchisee is an entity, NAPC will furnish Franchisee with a resolution, which Franchisee agrees to adopt, drafted in compliance with the laws of the state of organization of the entity and specifically authorizing execution of the Power of Attorney. If the form required for Franchisee's state changes so that it is different from the Power of Attorney attached as Exhibit C, Franchisee agrees to execute the then-current form of power of attorney giving NAPC the above powers immediately upon NAPC's request and from time to time.

19.7 Franchisee's Pre-Agreement Active Websites. Franchisee has provided NAPC with a list of active website domain names and e-mail addresses (identified in Schedule 3) which Franchisee represents that Franchisee continually has utilized preceding execution of this Agreement in promoting Franchisee's Franchised Business. Upon the expiration or termination of this

Agreement, Franchisee may retain ownership and use of the domain names and e-mail addresses identified in Schedule 3, so long as Franchisee removes (and refrains from adding) NAPC's Proprietary Marks, references to the Designated Office and his previous affiliation with NAPC as a Franchisee.

19.8 NAPC's Right to Use Information Obtained from Franchisee. Franchisee acknowledges that during and after the term of this Agreement, NAPC will have the right to access and use for business purposes all information concerning Franchisee's clients that Franchisee reports to NAPC or which NAPC learns due to Franchisee's status as a Franchisee. Such information includes, but is not limited to, the following: public relations, advertising and direct mail solicitations, statistical compilations, investigations and resolutions of complaints, inspections, operational audits, financial audits, quality surveys. Following the expiration or termination of this Agreement, NAPC may make such information available to its Affiliates or other franchisees for whatever business purposes NAPC, at its sole option, considers appropriate.

19.9 Remedies. If this Agreement is terminated by NAPC due to a default or breach of Franchisee, or if Franchisee breaches this Agreement by a wrongful termination of this Agreement, then NAPC will be entitled to seek recovery from Franchisee for all of the damages that NAPC has sustained or will sustain in the future as a result of Franchisee's breach of this Agreement, including, but not limited to the costs and expenses, including reasonable attorneys' fees, incurred by NAPC as a result of enforcing the provisions of this Agreement.

SECTION 20 GOVERNING LAW

This Agreement will become effective upon its acceptance and execution by NAPC in the State of Florida. The laws of the State of Florida, excluding those governing conflicts of laws, will govern this Agreement in all respects, including validity, interpretation and effect, and such laws will prevail in the event of any conflict of law.

SECTION 21 UNAVOIDABLE DELAY OR FAILURE TO PERFORM

Any delay in either party's performance of any duties under this Agreement, or any non-performance of such duties, that is not either party's fault (as applicable) or within either party's reasonable control, including but not limited to, floods, fire, natural disasters, acts of God, war, civil unrest, any governmental act or regulation. Any delays or defaults in deliveries of common carriers or postal services or overnight couriers, computer network outages, worms, or viruses, late deliveries or non-deliveries of goods or non-furnishing of services by third-party vendors, labor strikes (collectively, an "**Unavoidable Delay**"), will not constitute a breach of this Agreement. If such an event outside of Franchisee's reasonable control should occur, Franchisee will not be in default of this Agreement and NAPC will, in its reasonable commercial discretion, agree to Franchisee's relocation and Franchisee will not pay an additional Initial Franchisee Fee. Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days and Franchisee does not seek and obtain NAPC's approval to relocate the Franchised Business, NAPC will have the right at any time thereafter to terminate this Agreement upon thirty (30) days written notice to Franchisee.

SECTION 22 DISPUTE RESOLUTION

22.1 Limitation of Actions. Any claim, demand, or cause of action based on any provision of this Agreement, or in any way related to the franchise granted herein, will be barred unless raised within two (2) years of the occurrence, with the exception of those sections pertaining to the payment of fees, the requirement to maintain insurance, and the indemnification and hold harmless provisions.

22.2 Prompt Resolution. NAPC and Franchisee promptly will attempt to resolve any dispute between the parties by negotiation between executives of NAPC and Franchisee who have authority to settle the dispute.

22.3 Arbitration.

22.3.1 Subject to the limitation of Section 22.3.3 below, if any dispute cannot be settled by negotiation, the parties agree that such dispute will be submitted to binding arbitration in Florida under the Commercial Arbitration Rules of the American Arbitration Association (“AAA”). One arbitrator chosen from the panel of the AAA will conduct the arbitration. The arbitrator will strictly apply in his or her decision the substantive rules of law of the State of Florida (conflict of law rules excluded) and not principles of equity. Discovery permitted under any arbitration will be limited to a thirty (30) day period and will be directed exclusively to liability and damages issues. The arbitrator will make written findings of fact and will explain the legal bases for his or her decision. Until the arbitrator awards costs and attorneys’ fees as set forth below, the parties will each pay one-half the costs of arbitration. Judgment on any award will be binding, final and non-appealable. The parties’ consent to the jurisdiction of any federal or state court of competent jurisdiction for judicial acceptance or confirmation of the award after it has been entered by the arbitral tribunal. The Federal Arbitration Act will apply to any arbitration under this Agreement.

22.3.2 Demand for arbitration will be filed in writing with the other party to this Agreement and with the American Arbitration Association. A demand for arbitration will be made within a commercially reasonable time after the claim, dispute, or other matter in question has arisen. In no event will the demand for arbitration be made after the date when institution of legal or equitable proceeding based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

22.3.3 This arbitration requirement does not apply to any claim or action by NAPC or its Affiliates against Franchisee to collect money owed or to enforce NAPC’s rights in its Confidential Information, or in its intellectual property, which action may be brought in any jurisdiction chosen by NAPC. NAPC expressly retains the right to assert claims in litigation against Franchisee if necessary to defend its interests in litigation initiated by third parties. Third-party legal actions concerning the Proprietary Marks will be solely under the control of NAPC. Should Franchisee be named a party to or be aware of any suit filed involving the Proprietary Marks, Franchisee must notify NAPC in writing immediately.

22.4 Forum Selection. Notwithstanding the foregoing, to the extent any litigation is instituted between the parties, it will be instituted only in Circuit Court of Collier County, Florida or the United States District Court for the State of Florida. Nothing, however, will prevent NAPC, in its sole discretion, from instituting litigation in another court to comply with jurisdictional

requirements in obtaining restraining orders, preliminary injunctions, or permanent injunctions protecting NACP's Markets and

22.5 Related Parties. The provisions of this SECTION 22 will apply to any dispute between NACP, NACP's officers, directors, shareholders, representatives, agents, or employees on the one hand, and Franchisee, Franchisee's officers, directors, shareholders, representatives, agents, or employees, on the other hand, whether or not any of such individuals are parties to this Agreement.

22.6 Injunctive Relief. NACP will be entitled to seek the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (i) Proprietary Marks and the NACP System; (ii) the obligations of Franchisee upon termination or expiration of this Agreement; (iii) assignment of this Agreement or ownership interests of Franchisee; (iv) the covenants not to compete; (v) confidentiality; or, (vi) any act or omission by Franchisee, Franchisee's employees or Franchisee's Agents that: (x) constitutes a violation of any applicable law, ordinance or regulation; (y) is dishonest or misleading; or (z) may impair the goodwill associated with the Proprietary Marks and the NACP System. Franchisee acknowledges that any violations of the provisions of this Agreement will cause serious, irreparable injury to the NACP System, for which money damages cannot compensate. Franchisee further acknowledges that the provisions of this Section 22.6 are necessary to protect the legitimate business interests of NACP and other franchisees including, without limitation, prevention of damage to, or loss of, goodwill associated with the Proprietary Marks, prevention of the unauthorized dissemination of Confidential Information to third-parties, protection of NACP's Trade Secrets, the integrity of the System, and the prevention of duplication of the System.

22.7 Costs of Enforcement. NACP is entitled to recover from Franchisee reasonable attorneys' fees, experts' fees, court costs and other litigation related expenses, if NACP prevails in any action instituted against Franchisee to secure or protect NACP's rights under this Agreement, or to enforce the terms of this Agreement, or in any action commenced or joined in by Franchisee against NACP.

22.8 Attorneys' Fees. If NACP becomes a party to any action or proceeding arising out of or relating to this Agreement, any and all related agreements, or the Franchised Business: (i) as a result of any claimed or actual act, error or omission of Franchisee's (and/or any of its officers, directors, shareholders, management, employees, contractors, representatives or agents) or the Franchised Business; (ii) by virtue of statutory, "vicarious", "principal/agent" or other liabilities imposed on NACP as a result of NACP's status as a "franchisor"; or, (iii) if NACP becomes a party to any litigation or any insolvency proceeding involving Franchisee pursuant to any federal or state bankruptcy or insolvency law (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then Franchisee will be liable, and must promptly reimburse NACP, for, the reasonable attorneys' fees, expert fees, court costs, travel and lodging costs and all other expenses NACP incurs in such action or proceedings regardless of whether such action or proceeding proceeds to judgment. NACP also will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency or bankruptcy proceeding filed by Franchisee.

SECTION 23 AMENDMENT

Except as otherwise provided, no modification or amendment of this Agreement will be binding except as contained in a writing signed by authorized representatives of both parties. NACP can change

the Operations Manual and NAPC's other written policies and adopt new policies from time to time in NAPC's discretion without Franchisee's consent and without giving Franchisee prior notice.

SECTION 24 EXECUTORY CONTRACT AND INTEGRATION

This Agreement will be construed as an executory contract. This Agreement, any exhibits, addenda, or attachments to it that have been provided to Franchisee, and any ancillary agreements executed contemporaneously with this Agreement, constitute the entire agreement between the parties concerning the subject matter contained herein, and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that nothing in this sentence is intended to disclaim the representations NAPC made in the Franchise Disclosure Document that NAPC provided to Franchisee.

SECTION 25 BINDING EFFECT

This Agreement and the franchise hereby granted will inure to the benefit of and be binding upon NAPC, its successors and assigns and upon Franchisee, its successors and assigns, and will be enforceable at law or equity by specific performance, injunction or otherwise.

SECTION 26 RELEASE OF PRIOR CLAIMS

By executing this Agreement, Franchisee, individually and on behalf of Franchisee's heirs, legal representatives, successors, and assigns, and each assignee of this Agreement by accepting assignment of the same, hereby forever releases and discharges NAPC and its respective officers, directors, employees, agents and servants, and their subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties and executed prior to the date of this Agreement including but not limited to any and all claims, which presently known or unknown, suspected or unsuspected.

SECTION 27 GUARANTEE

All partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in Franchisee must be citizens of the United States or legally-resident aliens. If Franchisee is an entity, the person(s) and/or entity(ies) NAPC lists on Schedule 3 must, concurrently with the execution of this Agreement, execute NAPC's standard form Personal Guarantee Agreement (Exhibit A). If Franchisee is in breach or default of this Agreement, NAPC may proceed directly against each such individual and/or entity without first proceeding against Franchisee and without proceeding against or naming in the suit any other such individuals and/or entities. Franchisee's obligations and those of each such individual and/or entity will be joint and several. Notice to, or demand upon, one such individual and/or entity will be considered notice to, or demand upon, Franchisee and all such individual and/or entities, and no notice or demand need be made to, or upon, all such individuals and/or entities. The cessation of or release from liability of Franchisee or any such individual and/or entity will not relieve any other individual and/or entity from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

**SECTION 28
SEVERABILITY**

Both parties acknowledge that each provision of this Agreement will be interpreted so as to be valid under applicable law. Should any provision of this Agreement be held unenforceable or in conflict with the law of any jurisdiction, the validity of the remaining provisions will not be affected.

**SECTION 29
NOTICES**

All notices and consents required or permitted to be given under this Agreement will be given in writing by facsimile, by personal delivery, by documented overnight delivery with a reputable carrier, or by United States registered or certified mail, postage prepaid, return receipt requested. Notices will be addressed to the parties at the following addresses, and will be effective on the date that delivery is documented to have been first attempted:

Notice to NAPC:

**Natural Awakenings Publishing Corporation
4851 Tamiami Trail, Suite 200
Naples, Florida 34103
Attention: Sharon Bruckman
Facsimile: 239-434-9513**

Notice to Franchisee:

**Franchisee Name: _____
Franchisee Address: _____

Attention: _____
Facsimile: _____**

If either party receives a notice hereunder transmitted by facsimile, such party will promptly acknowledge receipt of notice by return facsimile transmission, by overnight delivery service or by Express Mail. Franchisee consents to receipt of all notices, communications and unsolicited advertisements from NAPC. Either party to this Agreement may, in writing, on ten days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement will be sent.

**SECTION 30
WAIVER AND DELAY**

No waiver or delay in either party's enforcement of any breach or condition of this Agreement will be deemed to be a waiver by such party of any other or subsequent breach or condition, whether of like or different nature. No waiver of any breach or condition of this Agreement by or with respect to another franchisee will be deemed to be a waiver of the same breach or condition with respect to Franchisee. Without limiting the foregoing, **no** terms of this Agreement will be waived by any act or knowledge of either party to this Agreement, or either party's employees, except by instrument in writing duly executed by the authorized representatives of both parties hereto.

**SECTION 31
NOTICE OF FRANCHISOR'S ALLEGED BREACH**

Franchisee agrees to provide to NAPC immediate written notice of any alleged breach or violation of this Agreement after Franchisee has constructive or actual knowledge of, believes, determines, or is of the opinion that there has been an alleged breach of this Agreement by NAPC. If Franchisee does not give written notice to NAPC of any alleged breach of this Agreement within one (1) year from the date that Franchisee has knowledge of, believes, determines, or is of the opinion that there has been an alleged breach by NAPC, then Franchisee will have condoned, approved and waived NAPC's

alleged breach and Franchisee will be prohibited from commencing any action against NAPC for the alleged breach or violation.

SECTION 32 SURVIVAL

Any provision of this Agreement, including but not limited to Section 1, which by its terms and clear intent imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

SECTION 33 ACKNOWLEDGEMENTS

33.1 Business Risk; No Financial Projections. Franchisee acknowledges that it has conducted an independent investigation of the System and recognizes that the business venture contemplated by this Agreement involves business and economic risks and that the success of the franchise will be primarily dependent upon the personal efforts of Franchisee. NAPC expressly disclaims the making of, and Franchisee acknowledges that it has not received, any estimates, projections, warranties or guarantees express or implied, regarding potential gross revenues, income, profits, expense or the financial or business success of the franchise granted herein.

33.2 No Income or Refund Warranties. Franchisee acknowledges that NAPC does not warrant or guaranty that i) Franchisee will derive income from the Franchised Business that is the subject matter of this Agreement; or ii) NAPC will not refund any part of the price paid for Franchisee's business office, or repurchase any of the products, merchandise, furniture, fixtures, racks, equipment, supplies or chattels supplied by NAPC or a Preferred Supplier if Franchisee is unsatisfied with its Franchised Business unless arranged in writing by NAPC.

33.3 Other Franchisees. Franchisee acknowledges that other franchisees have or will be granted franchise agreements by NAPC at different times and in different situations. Franchisee further acknowledges that the terms and conditions of such franchise agreements may vary substantially in form and substance from those contained in this Agreement.

33.4 Receipt of Agreement and Franchise Disclosure Document. Franchisee acknowledges that it received a copy of this Agreement with all material blanks fully completed at least seven (7) days prior to the date that this Agreement was executed by Franchisee. Franchisee further acknowledges that it received a copy of NAPC's Franchise Disclosure Document at least fourteen (14) days prior to the date on which this Agreement was executed by Franchisee.

33.5 Disclaimer of Express or Implied Representations or Warranties. Franchisee acknowledges that it has not received any express or implied representations or warranties regarding the sale, earnings, income, profits, gross revenues, business or financial success or any other matters pertaining to the NAPC system or any of NAPC's officers, employees or agents that were not contained in the Franchise Disclosure Document received by Franchisee (hereinafter "Representations"). Franchisee further acknowledges that if it had received any such Representations, it would not have executed this Agreement, and it would have: (i) promptly notified the president of NAPC in writing of the person or persons making such representations; and, (ii) provided to NAPC a specific written statement detailing the Representations made.

SECTION 34
DISCLAIMER; FRANCHISEE'S LEGAL COUNSEL

34.1 Disclaimer by NAPC. NAPC expressly disclaims the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, gross revenues, business or financial success, or value of the Franchised Business that were not contained in the Franchise Disclosure Document received by Franchisee.

34.2 Legal Representation.

34.2.1 Franchisee acknowledges that this Agreement constitutes a legal document, which grants certain rights to, and imposes certain obligations upon Franchisee. Franchisee was advised by NAPC to consult an attorney and/or other advisor prior to the execution of this Agreement, to review NAPC's Franchise Disclosure Document; to review this Agreement in detail to review all other related legal documents; to review the economics, operations and other business aspects of the business; to determine compliance with franchising and other applicable laws; to advise Franchisee about all federal, state and local laws, rules, ordinances, special regulations and statutes that may apply to Franchisee's office; and to advise Franchisee about its economic risks, liabilities, obligations and rights under this Agreement.

34.2.2 Franchisee acknowledges that NAPC has strongly recommended that Franchisee should retain legal counsel to review this Agreement and NAPC's Franchise Disclosure Document, including NAPC's financial statements, leases, contracts, and other documents relating to the System, and to advise Franchisee as to the terms and conditions of this Agreement and the potential economic benefits and risks of loss relating to this Agreement and the Franchised Business.

34.2.3 The name of Franchisee's attorney or other advisor is:

Name: _____
Name of Firm: _____
Address: _____
City, State, Zip Code: _____
Telephone Number: _____
Fax Number: _____

SECTION 35
DISCLOSURE STATEMENT

Franchisee warrants and represents that no representation or promises have been made by NAPC to induce Franchisee to enter into this Agreement except as specifically included in the Franchise Disclosure Document and this Agreement. Franchisee acknowledges that the success of the operation by Franchisee depends on the personal efforts of Franchisee, and Franchisee (or, if Franchisee is not an individual, Franchisee's President or Chief Executive) intends to devote its full time to the management of its franchise, or appoint a full-time general manager, who has successfully completed the NAPC training program. NAPC has not guaranteed any results to Franchisee and cannot, except under the terms of this Agreement exercise control over Franchisee's **Franchised Business**.

**SECTION 36
MISCELLANEOUS**

36.1 Offer. The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon the execution hereof by NAPC and the Franchisee. The date of execution by NAPC will be considered the date of execution of this Agreement.

36.2 Binding Agreement. This Agreement will not be binding on NAPC unless and until it has been accepted and executed by an authorized officer of NAPC. “Effective Date” means the date upon which such execution occurs.

36.3 Franchisee Review. Franchisee has read this entire Agreement and hereby accepts and agrees to each and all of the covenants, provisions, and conditions hereof.

SIGNATURE PAGE FOLLOWS THIS PAGE

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

FRANCHISOR:

Natural Awakenings Publishing Corp.

By: _____
Sharon Bruckman, Chief Executive Officer

Effective Date: _____

FRANCHISEE:

If a corporation or other entity:

COMPANY NAME

By: _____

Print Name: _____

Print Title: _____

Date: _____

If an individual:

By: _____

Print Name: _____

Date: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

Schedule 1

**TRADE NAMES, TRADEMARKS, SERVICE MARKS
AND PROPRIETARY MARKS**

The following information is deemed a part of that certain NATURAL AWAKENINGS PUBLISHING CORP., Franchise Agreement by and between the party identified below (“Franchisee”) and NATURAL AWAKENINGS PUBLISHING CORP. (effective date, _____):

1. Trademarks and Service Marks Licensed to Franchisee:

Mark	Registration No.	Registration Date	Register
	3988549	July 5, 2011	Principal
Natural Awakenings, Healthy Living. Healthy Planet	3939545	April 5, 2011	Principal
	<u>5920574</u>	<u>Nov. 26, 2019</u>	<u>Principal</u>

2. Proprietary Marks: The Proprietary Marks (as defined in SECTION 14) granted to Franchisee under the Franchise Agreement will consist of the Proprietary Mark “Natural Awakenings Magazine”, “Natural Awakenings Healthy Living Magazine”, “Natural Awakenings Your Healthy Living Magazine” together with those additional Proprietary Marks, which NAPC may later designate in writing (in the Operations Manual or otherwise).

FRANCHISOR:

FRANCHISEE:

If a corporation or other entity:

Natural Awakenings Publishing Corp.

COMPANY NAME

By: _____
Sharon Bruckman, Chief Executive Officer

By: _____

Print Name: _____

Print Title: _____

If an individual:

By: _____

Print Name: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

Schedule 2

NATURAL AWAKENINGS FRANCHISE IN APPROVED TERRITORY

The following information is deemed a part of that certain NAPC Franchise Agreement by and between the party identified below (“Franchisee”) and NAPC (effective date, _____):

1. The geographical boundaries of the Territory are described as follows:

2. The Franchised Business will be located within the Approved Territory. The parties preliminarily agree that the Designated Office will be located at:_____.

FRANCHISOR:

FRANCHISEE:

If a corporation or other entity:

Natural Awakenings Publishing Corp.

COMPANY NAME

By:_____
Sharon Bruckman, Chief Executive Officer

By:_____

Print Name:_____

Print Title:_____

If an individual:

By:_____

Print Name:_____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

SCHEDULE 3

**INITIAL FEES; RESPONSIBLE AGENT; GUARANTORS;
ACTIVE DOMAIN NAMES AND E-MAIL ADDRESSES;
ACTIVE TELEPHONE NUMBERS; ASSUMED BUSINESS NAME**

1. Initial Fees: The Initial Franchise Fee pursuant to Section 6.1, Promissory Note pursuant to Section 6.1.3, Renewal Admin Fee pursuant to Section 3.6.4; or, the Transfer Fee pursuant to Section 6.8 is (check one):

\$49,500.00 for the Initial Franchise Fee

\$25,000.00 for the first installment of the Initial Franchise Fee and \$24,500.00 by a Promissory Note.

\$15,000.00 for the first installment of the Initial Franchise Fee and \$34,500.00 by a Promissory Note.

\$850.00 for the Renewal Admin Fee

\$7,500.00 for the Transfer Fee

\$3,500 times ____ [Insert number of attendees] for each person who attends the Initial Training Program.

2. Business Manager (Responsible Agent): The Business Manager as defined in Section 7.5.2 of the Franchise Agreement will be _____.

3. Guarantors: The names of person(s) and/or entity(ies) who and/or which must execute a Personal Guarantee Agreement simultaneously with Franchisee's execution of the Franchise Agreement are: _____.

4. Active Domain Names and E-Mail Addresses: The active domain names and/or e-mail addresses (if any) which Franchisee represents that it has continuously utilized for the twenty-four (24) months or more preceding Franchisee's execution of the Franchise Agreement in promoting Franchisee's office and Business are: _____.

5. Active Telephone Numbers: If applicable, the active telephone numbers (if any) which Franchisee represents that it has continuously utilized for the twenty-four (24) months or more preceding its execution of the Franchise Agreement promoting its business are _____.

6. Assumed Business Name: The business name that NACP has approved, and Franchisee agrees to use pursuant to Section 14.3 of the Franchise Agreement, is _____.

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

EXHIBIT A

PERSONAL GUARANTEE AGREEMENT

1. In consideration of the execution by NATURAL AWAKENINGS PUBLISHING CORP. (“Franchisor”) of the NAPC Franchise Agreement (the “Franchise Agreement”) dated _____, between Franchisor and _____ (“Franchisee”), and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantee for the payment of all amounts and the performance of the covenants, terms and conditions set forth in the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor. The obligations of this Personal Guarantee Agreement (this “Guarantee”) are primary, and not secondary, obligations of each of the guarantors.

2. If more than one (1) person has executed this Guarantee, the term “the undersigned”, as used herein, will refer to each such person, and the liability of each of the undersigned hereunder will be joint and several and primary as sureties.

3. The undersigned, individually and jointly, hereby agrees to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor. The undersigned acknowledges that this Guarantee will be construed as though each of the undersigned executed an agreement containing the identical terms and conditions of the Franchise Agreement and any other agreement by and between Franchisee and Franchisor, including, but not limited to, the covenant not to compete provisions contained the Franchise Agreement.

4. If Franchisee is in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned.

5. Without the consent of, or notice to, any of the undersigned and without affecting any of the obligations of the undersigned hereunder, any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by a mutual agreement of the Franchisor and the Franchisee. The undersigned does guarantee and promise to perform all of the obligations of Franchisee under the Agreement so amended, compromised, released or altered. Each guarantor hereby waives notice of any change or amendment to or renewal of the terms of the Franchise Agreement and will be bound by the terms of any such change or amendment or renewal thereto.

6. Notice to or demand upon Franchisee or any of the undersigned will be deemed to be notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of, or release from, liability of Franchisee or any of the undersigned will not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and

Franchisee, except to the extent that the breach or default has been remedied or monies owed have been paid to Franchisor.

7. Any waiver, lack of diligence in collection, or extension of time granted by Franchisor, its successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisor and Franchisee, will in no way modify or amend this Guarantee, which will be continuing, absolute, unconditional, and irrevocable.

8. The undersigned understand that the provisions, covenants and conditions of this Guarantee will inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

9. This Guarantee and the performance hereunder will in all respects be governed by the substantive laws of the State of Florida, without regard to its conflicts of law rules principles. If, however, any provision of this Guarantee would not be enforceable under the laws of Florida, and if the business franchised under the Franchise Agreement is located outside of Florida and such provision would be enforceable under the laws of the state in which the franchised business is located, then such provision (and only that provision) will be interpreted and construed under the laws of that state.

10. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Florida or any other state, which would not otherwise apply.

11. The undersigned will institute any litigation that the undersigned may commence arising out of, or related to, this Guarantee or the Franchise Agreement, including any and all disputes between the parties, whether sounding in contract, tort, or otherwise, exclusively in the United States District Court of Florida. The undersigned acknowledge that any dispute as to the venue for any litigation instituted by the undersigned will be submitted to, and resolved exclusively by either the Circuit Court of Collier County, Florida or the United States District Court of Florida. The undersigned waive and covenant not to assert or claim that the aforementioned venues are for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, but not limited to, any claim under the judicial doctrine of *forum non conveniens*).

12. Franchisor may institute any litigation that it commences arising out of or related to this Guarantee or the Franchise Agreement, including any and all disputes between the parties, whether sounding in contract, tort, or otherwise, in any court of competent jurisdiction, wherever situated, that Franchisor selects. Any dispute as to the venue for the litigation Franchisor institutes will be submitted and resolved exclusively by the court in which Franchisor commenced the litigation. The undersigned hereby waive and covenant not to assert or claim, with respect to litigation commenced by the Franchisor, that the venue selected by Franchisor pursuant to this Section 12 is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, but not limited to, any claim under the judicial doctrine of *forum non conveniens*).

13. Should one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions will nonetheless remain effective.

SIGNATURE PAGE FOLLOWS THIS PAGE

IN WITNESS WHEREOF, the undersigned has executed this Guarantee effective as of the effective date of the Franchise Agreement.

GUARANTORS:

Print Name: _____

Date: _____

Print Name: _____

Date: _____

Print Name: _____

Date: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

EXHIBIT B

**CONFIDENTIAL INFORMATION NONDISCLOSURE AND
NONCOMPETITION AGREEMENT**

THIS CONFIDENTIAL INFORMATION NONDISCLOSURE AND NONCOMPETITION AGREEMENT (this “**Agreement**”) is made and entered into by and between Natural Awakenings Publishing Corporation, (“**Franchisor**”) and _____, (“**Franchisee**”) and the “Undersigned”.

The parties acknowledge the following:

The Undersigned is either affiliated with Franchisee as a partner, proprietor, shareholder, director, member, trustee, trustor or beneficiary or person named as included or having an interest in Franchisee, **and/or** in such capacity that will require access, and will acquire knowledge of Confidential Information, as defined below; and

NAPC, as a result of the expenditure of time, skill, effort, and money, has developed and owns a proprietary system (the “**NAPC System**”) for opening and operating businesses which operate as natural magazine publishers providing advertising services to the general public. NAPC has devised policies and techniques for the establishment and operation of the NAPC System, and has promoted the NAPC System and the name “NAPC” for its own advantage as well as for the advantage of its franchisees.

THEREFORE, in consideration of the mutual promises, covenants, representations and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, NAPC and the Undersigned agree as follows:

1. All capitalized terms not otherwise defined herein have the meanings assigned to them in that certain Franchise Agreement dated _____ by and between NAPC and Franchisee (the “**Franchise Agreement**”).

2. The Undersigned acknowledges that all property of, and data and records with respect to, NAPC, the Franchisee and/or its Affiliates or customers coming into the Undersigned’s possession or kept by the Undersigned in connection with the Undersigned’s relationship with the Franchisee, including, without limitation, correspondence; management studies; notebooks; blueprints; computer programs; software and documentation; bulletins; parts lists; reports; customer lists; employment data and production; costs, purchasing, and marketing information are the exclusive property of the Franchisee or its Affiliates or customers as may be appropriate. The Undersigned agrees to return to Franchisee all such property and all copies of such data and records upon termination of his/her relationship with Franchisee or as otherwise directed by the Franchisee.

3. During the term of the Undersigned’s employment by, ownership participation in, association with or service to Franchisee, and for a period of two (2) years after termination or expiration of the Franchise Agreement or any Renewal Agreement, the Undersigned will treat NAPC’s Confidential Information as though it were his own. The Undersigned will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, including but not limited to, knowledge or know-how concerning the NAPC System, Services, products, clients, policies or practices of Franchisee and/or NAPC which may be

communicated to the Undersigned (“**Confidential Information**”), and he will not divert any business to competitors of Franchisee and/or NACP.

4. The term, “**Confidential Information**” includes, but is not limited to, the components of the NACP System and all Services, programs, products, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are part of the NACP System; NACP’s Operations Manual; Supplements and amendments to the Operations Manual; all procedures, systems, techniques and activities employed by NACP or by Franchisee in the course of offering, selling and furnishing Services, programs and products from or at the Designated Office; all commission and/or pricing paradigms established by NACP or by Franchisee; all of NACP’s and/or Franchisee’s Approved Suppliers (or proposed additions to the Approved Supplier Program), and all information pertaining to same (including, without limitation, wholesale pricing structures); specifications for office design, decor, equipment, signage and appurtenance; the computer and hardware and software utilized by NACP and the Undersigned; all information pertaining to NACP’s and/or Franchisee’s advertising, marketing, promotion and merchandising campaigns, philosophies, materials, specifications and procedures; NACP’s and Franchisee’s websites, and all information posted on or received at such proprietary websites; all of NACP’s and Franchisee’s instructional materials; quality assurance programs; supervision systems; recommended services; record keeping, bookkeeping and accounting systems and materials; revenue reports; activity schedules; job descriptions; records pertaining to clients; business forms; general operations materials; revenue report; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the NACP System; additions to, deletions from, and modifications and variations of the components of the NACP System or the systems and methods of operations which NACP employs now or in the future, including all related standards and specifications and the means and manner of offering and selling them; and, all other components, specifications, standards, requirements and duties which NACP or its Affiliates impose.

5. Confidential Information does not include information which: (i) the Undersigned can demonstrate came to his attention prior to disclosure; (ii) has become or becomes a part of the public domain through publication or communication by others, but in no event through any act of the Undersigned; or (iii) which is received by the Undersigned in good faith from a source other than the Franchisee and is not subject to any confidentiality obligations between the Undersigned and such source.

6. The Undersigned will not copy, duplicate, record or otherwise reproduce any Confidential Information or material containing it, in whole or in part, store it in a computer retrieval or database, nor otherwise make it available to any unauthorized person.

7. The Undersigned further agrees that, during the term of his employment/service/association/ownership participation, so long as the Franchise Agreement or any Renewal Franchise Agreement is in effect, he will not, directly or indirectly, engage or participate in any other natural magazine publishing business or any business which engages in any of the activities which the Franchise Agreement contemplates that Franchisee will engage in; or which offers or sells any other service, program, product or component which now or in the future is part of the NACP System, or any confusingly similar service, program or product (a “**Competitive Business**”). The Undersigned will not engage in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

8. The Undersigned acknowledges that it is the intention of the parties to this Agreement to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. The

Undersigned further acknowledges that he may not own for investment purposes any capital stock of any Competitive Business.

10. The Undersigned acknowledges that it is the intention of the parties to this Agreement that any person or entity having any legal or beneficial interest in or traceable to, down or through the Undersigned is bound by the provisions of this Agreement, including (without limitation) the Undersigned's spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of the Undersigned; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and the Undersigned.

11. The Undersigned acknowledges that a violation of the provisions of this Agreement will cause immediate and irreparable injury to NAPC, the Franchisee and/or its customers, that such damage will be difficult to quantify, and for which money damages alone will not be adequate. Accordingly, the Undersigned hereby consents to the entry of an injunction procured by NAPC or Franchisee (or both), without the need for posting a bond, prohibiting any conduct by the Undersigned in violation of the terms of this Agreement. The Undersigned expressly acknowledges that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through the Undersigned's unlawful utilization of NAPC's Confidential Information. Further, the Undersigned expressly acknowledges that any claims he may have against NAPC will not constitute a defense to NAPC's enforcement of the covenants not to compete set forth in this Agreement. The Undersigned will pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by NAPC in connection with the enforcement of the terms of this Agreement.

12. The parties explicitly agree that, although not a formal party to this Agreement, Franchisee is nonetheless an intended third party beneficiary of this Agreement, and that NAPC or Franchisee is entitled to seek any remedy provided herein to enforce this Agreement to protect its business interests.

13. This Agreement and all disputes between the Undersigned and NAPC or the Franchisee, whether in contract, tort, or otherwise, are to be exclusively construed in accordance with and governed by (as applicable) the law of the State of Florida without recourse to Florida (or any other) conflicts of law principles. If, however, a court will determine that any covenant, paragraph, section, or portion of the Agreement is not enforceable under the law of the State of Florida, and if the Franchised Business is located outside of Florida and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Florida or any other state, which would not otherwise apply.

14. The Undersigned will institute any litigation that the Undersigned may commence arising out of, or related to, this Agreement, including any and all disputes between the parties, whether sounding in contract, tort, or otherwise, exclusively in either the Superior Court of Collier County, Florida or the United States District Court for the State of Florida in Florida. The Undersigned acknowledges that NAPC, Franchisee and/or any of their Affiliates may institute any litigation that any of them commence arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, in any court of competent jurisdiction, wherever situated, that they select. The Undersigned waives any claim that the aforementioned venues are for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, but not limited to, any claim under the judicial doctrine of *forum non conveniens*).

15. If for any reason, a court will determine that any covenant, paragraph, section, or portion of the Agreement is held unreasonable, void, vague or illegal, then the parties intend that such covenant, paragraph, section, or portion of the Agreement will be revised and/or limited in such manner as will permit enforceability by the court. The Undersigned expressly agrees to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement. If such covenant, paragraph, section, or portion of the Agreement will be deemed unenforceable, the parties agree that it will in no way affect the remaining provisions of this Agreement and that the portions of the Agreement which do not violate the law or public policy will remain valid and enforceable.

16. This Agreement constitutes the entire understanding of the parties with respect to the subject matter discussed within the Agreement and supersedes any oral or written agreements or understandings with respect to such subject matter. This Agreement may not be modified in any manner except by a writing signed by the Franchisee and the Undersigned.

17. The Undersigned acknowledges that he has read this Agreement and has had an opportunity to consult with legal counsel, that the Undersigned fully understands and appreciates the provisions of the Agreement and their effect, and that the Undersigned has freely entered into this Agreement.

SIGNATURE PAGE FOLLOWS THIS PAGE

IN WITNESS WHEREOF, the undersigned has executed this Confidential Information Nondisclosure and Noncompetition Agreement effective as of the effective date of the Franchise Agreement.

FRANCHISOR:

Natural Awakenings Publishing Corp.

By: _____
Sharon Bruckman, Chief Executive Officer

Date: _____

FRANCHISEE:

COMPANY NAME

By: _____

Print Name: _____

Print Title: _____

Date: _____

The Undersigned:

Print Name: _____

Date: _____

Print Name: _____

Date: _____

Print Name: _____

Date: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

EXHIBIT C

LIMITED POWER OF ATTORNEY

**STATE OF FLORIDA
COUNTY OF COLLIER**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned,
_____, whose principal address is _____
_____ does hereby appoint and name **NATURAL AWAKENINGS PUBLISHING CORP.**, a Florida corporation with its principal office at 4851 Tamiami Trail, Suite 200, Naples FL 34103 (“NAPC”), as a true and lawful Attorney-in-Fact to act in its name, place and stead in any way which it could do, following termination or expiration of that certain Franchise Agreement, dated as of the date hereof, by and between the undersigned and **NATURAL AWAKENINGS PUBLISHING CORP.** (the “Franchise Agreement”) with respect to the following matters and to execute such documents to facilitate the performance of the obligations of the undersigned pursuant to Section 19.5 of such Franchise Agreement:

- 1. to take all necessary action including, but not limited to, the execution of all documents necessary to cancel with federal, state or local governmental authorities any assumed name or equivalent registration which contains the trade name, trademark and service mark “NAPC” or any other trade name, trademark and service mark of NAPC or its affiliates, or any variant, including the execution of all documents necessary to cause the discontinuance of Franchisee’s use of the trade name, trademark and service mark “NAPC” or any related trade name, trademark or service mark;**
- 2. to assign and transfer to NAPC (or to another Affiliate or other designee of NAPC’s) any and all interests Franchisee may have in and all website domain names and e-mail addresses subject to the limitations in Section 19.5.7 of the Franchise Agreement;**
- 3. to execute all agreements necessary to effectuate the termination or expiration in a prompt and timely manner;**
- 4. to take all necessary action including, but not limited to, the execution of all documents necessary to direct the appropriate telephone company(ies) to (a) discontinue Franchisee’s use of the name “NAPC”, or any related name listed in the Yellow Pages or White Pages of any telephone directories under the name “NAPC” or any other confusingly similar name, and/or (b) transfer the telephone numbers listed for Franchisee’s business in any telephone directories to NAPC or to any other person, entity, or location as designated by NAPC; and**
- 5. to terminate any other references or identifications that indicate to third parties that Franchisee formerly was associated with NAPC.**

This Power of Attorney is irrevocable and is coupled with an interest.

The undersigned does hereby ratify and confirm on behalf of itself, its successors and assigns all such acts that NAPC will lawfully do or cause to be done by virtue hereof. All persons and entities will be entitled to rely upon the within Limited Power of Attorney without further confirmation or validation hereof by the undersigned.

THIS POWER OF ATTORNEY STRICTLY IS LIMITED TO SUCH POWERS AS ARE ENUMERATED ABOVE AND NATURAL AWAKENINGS PUBLISHING CORP. HAS NO AUTHORITY TO ACT AS FRANCHISEE'S ATTORNEY-IN-FACT FOR ANY OTHER PURPOSE.

All capitalized terms not otherwise defined herein have the meanings assigned to them in the Franchise Agreement.

IN WITNESS WHEREOF, Franchisee (if an individual) has executed this Limited Power of Attorney or (if an entity) has caused this Limited Power of Attorney to be executed and attested under seal by its duly authorized officer on _____.

FRANCHISEE:

COMPANY NAME

By: _____

Print Name: _____

Print Title: _____

Date: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

EXHIBIT D

FORM OF FRANCHISE COMPLIANCE CERTIFICATION

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. You had your first face-to-face meeting (or phone interview) with our representative on:
_____.

2. Have you received and personally reviewed our Franchise Agreement and any attachments to it? (~~choose~~ Yes ~~or~~ No)

3. Do you understand all of the information contained in our Franchise Agreement and any attachments provided to you? (~~choose~~ Yes ~~or~~ No)

~~4.~~ If No, what parts of the Franchise Agreement and any attachments do you not understand? (Please attach additional pages, if necessary)

4. ~~5.~~ Have you received and personally reviewed our Franchise Disclosure Document (FDD)? (~~choose~~ Yes ~~or~~ No)

5. ~~6.~~ Did you sign a receipt for the FDD indicating the date you received it?

(~~choose~~ Yes ~~or~~ No)

6. ~~7.~~ Do you understand all of the information contained in the FDD and any state specific Addendum to the FDD? (~~choose~~ Yes ~~or~~ No)

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

7. ~~8.~~ Have you discussed the benefits and risks of purchasing a **Natural Awakenings** franchise with an attorney, accountant or other professional advisor? (~~choose~~ Yes ~~or~~ No)

If No, would you like more time to do so? (choose Yes or No)

8. ~~9.~~ Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a **Natural Awakenings** franchise? ~~(choose~~
 Yes ~~or~~ No)

9. ~~10.~~ Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a **Natural Awakenings** franchise? ~~(choose~~ Yes ~~or~~ No)

10. ~~11.~~ Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD? ~~(choose~~ Yes ~~or~~ No)

11. ~~12.~~ Have you paid any money to us concerning the purchase of a **Natural Awakenings** franchise prior to today? ~~(choose~~ Yes ~~or~~ No)

12. ~~13.~~ If you answered "Yes" to any one of questions 9 ~~—12~~ 11, please provide a full explanation of each "Yes" answer in the following blank lines. (Please attach additional pages, if necessary and refer to them below)

13. ~~14.~~ Do you understand that the success or failure of a **Natural Awakenings** franchise will depend in large part upon your skills and abilities, competition from other businesses and other economic and business factors? ~~(choose~~ Yes ~~or~~ No)

14. ~~15.~~ You signed the Franchise Agreement and Addendum (if any) on _____, and you acknowledge that no Agreement or Addendum is effective until signed and dated (executed) by us.

Please understand that your responses to the questions here are important to NAPC as they are relied upon to serve you better.

By signing this Compliance Certificate, you are representing that you have responded truthfully to the questions above.

Franchise Applicant: _____

Franchisee Name: _____

Signature

Date: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

EXHIBIT E

RENEWAL ADDENDUM

This Renewal Addendum to the Natural Awakenings Publishing Corp. Franchise Agreement is made and entered into by and between NATURAL AWAKENINGS PUBLISHING CORP., with its principal office located at 4851 Tamiami Trail, Suite 200, Naples, FL 34103 (“NAPC” or “Franchisor”), and _____ whose principal address is _____ its shareholders, partners, proprietors, directors, members, trustee, trustor, and persons having an interest in it (hereinafter, collectively, the “Franchisee”).

RECITALS

A. On or about _____, Franchisee entered into a Franchise Agreement (the “**Original Franchise Agreement**”) with Franchisor pursuant to which Franchisee was granted the right to operate a **Natural Awakenings magazine business under the Proprietary Marks and under the NAPC System** as well as to receive the training and other assistance provided by NAPC in connection therewith.

B. Franchisee has notified Franchisor of its desire to obtain an additional term granted pursuant to the Original Franchise Agreement to continue to use the NAPC System and **Proprietary Marks** to operate a **Natural Awakenings magazine**.

C. Pursuant to the rights granted in the Original Franchise Agreement, Franchisee is willing to enter into a new franchise agreement with Franchisor on the terms and conditions of Franchisor’s current form of franchise agreement, as modified by this Addendum (the “**Renewal Franchise Agreement**”).

D. Franchisee has had a full and adequate opportunity to be advised thoroughly of the terms and conditions of the Renewal Franchise Agreement, including this Addendum, by legal counsel or other advisors, and has had sufficient opportunity to evaluate and investigate the System, the financial investment requirements and the business risks associated with owning and operating a **Natural Awakenings magazine**.

In consideration of the foregoing and the covenants and consideration below, Franchisee and Franchisor agree to amend the Renewal Franchise Agreement as follows:

1. **Term.** Section 3.6 of the Renewal Franchise Agreement is deleted and replaced with the following:

(i) The renewal term of the Franchise will begin upon the day following the end of the Initial Term if the Original Franchise Agreement and will continue for a period of ~~seven~~five (~~7~~5) years (the “**Renewal Term**”), unless sooner terminated, as described below.

(ii) All references to the “Initial Term” in this Renewal Franchise Agreement will mean “Renewal Term”, as defined above.

(iii) If Franchisee continues to operate the Franchise after the end of the Renewal Term, Franchisee will be deemed to be operating on a month-to-month basis under the terms and conditions of this Agreement, and Franchisee may be terminated at any time upon ten (10) days written notice. Franchisee acknowledges that the circumstances described in this provision will constitute a material breach and good cause for termination.

2. Duties of Franchisor. Franchisor and Franchisee acknowledge that Franchisor has satisfied the obligations in Sections 4.1, 4.2, and 4.6 of the Renewal Franchise Agreement during the Initial Term of the Original Franchise Agreement.

3. Site Selection Requirements; Office Appearance and Signs. Franchisor and Franchisee acknowledge that Franchisor has satisfied the obligations in Sections 5.1 and 5.2, of the Renewal Franchise Agreement during the Initial Term of the Original Franchise Agreement.

4. Renewal Admin Fee. Section 6.1 of the Renewal Franchise Agreement is deleted and replaced with the following:

6.1 Renewal Admin Fee.

36.3.1 Franchisee will pay NAPC the renewal administration fee set forth in Schedule 3 (“**Renewal Admin Fee**”).

36.3.2 The Renewal Admin Fee is payable in full when Franchisee signs this Agreement, and is fully earned when paid. Franchisee acknowledges that the Renewal Admin Fee is non-refundable and compensates NAPC for NAPC’s legal and administrative expenses in connection with the Renewal. Franchisee waives any right to recover part or all of the Renewal Admin Fee.

5. Duties of Franchisee. Franchisor and Franchisee acknowledge that Franchisee has satisfied the obligations in Sections 7.1 of the Renewal Franchise Agreement during the Initial Term of the Original Franchise Agreement.

6. Release of Claims. Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the “**Franchisee Parties**”), hereby releases and forever discharges Franchisor, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the “**Franchisor Parties**”) from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Franchisee may now or in the future own or hold, that in any way relate to the Original Franchise Agreement (collectively, “**Claims**”), including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Original Franchise Agreement or any other related agreement between Franchisee Parties and Franchisor Parties.

7. Warranties and Representations of Franchisee. Franchisee warrants and represents as follows:

36.3.2.1 During the Initial Term, Franchisee has complied with all, and is not in default of any, of Franchisee's obligations under the Original Franchise Agreement, any amendments to the Original Franchise Agreement, its obligations under any applicable lease for the Franchised Business, the Operations Manual and Supplements to the Operations Manual, and all other agreements then in effect between Franchisee and NAPC (or NAPC's Affiliates), and Franchisee has timely paid or satisfied prior to the end of the Term, all monetary obligations owed by Franchisee to NAPC and its Affiliates, and has substantially timely met these obligations throughout the Initial Term;

36.3.2.2 Franchisee and/or its Responsible Agent has complied with NAPC's then-current qualification and training requirements as set forth in the Operations Manual or otherwise including, but not limited to, attending and satisfactorily completing [addendum](#).

[36.3.2.3](#) a training program for renewing franchisees within the six (6) month period ending on the last day of the Initial Term.

[36.3.2.4](#) ~~36.3.2.3~~ Franchisee has made such reasonable expenditures for the appearance, condition, repair, equipment and signage of the Franchised Business as NAPC has required from time to time: (i) under the Operations Manual, and (ii) according to NAPC's judgment as to the condition, state of repair and general appearance of Franchisee's magazine racks, signs and banners compared to the quality standards and appearance which NAPC, in its sole discretion, considers attractive; and

[36.3.2.5](#) ~~36.3.2.4~~ Franchisee has executed NAPC's then-current standard franchise agreement being offered to new franchisees by NAPC, which franchise agreement may contain terms and conditions substantially different from those set forth herein, including, but not limited to, the then-current rate for all fees and other payments as such franchise agreement may provide.

8. Capitalized Terms. Capitalized terms not otherwise defined in this Renewal Addendum shall have the same meaning as in the Renewal Franchise Agreement.

9. Addendum Binding. This Renewal Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

10. No Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Renewal Franchise Agreement will remain in full force and effect as originally written and signed.

SIGNATURE PAGE FOLLOWS THIS PAGE

IN WITNESS WHEREOF, the parties have executed this Renewal Franchise Agreement on the date first noted above.

FRANCHISOR:

Natural Awakenings Publishing Corp.

By: _____
Sharon Bruckman, Chief Executive Officer

Effective Date: _____

FRANCHISEE:

If a corporation or other entity:

COMPANY NAME

By: _____

Print Name: _____

Print Title: _____

Date: _____

If an individual:

By: _____

Print Name: _____

Date: _____

**NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

EXHIBIT F

STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM
TO FRANCHISE ~~DISCLOSURE~~ AGREEMENT DOCUMENT FOR
NATURAL AWAKENINGS PUBLISHING CORP.
STATE OF CALIFORNIA

The following paragraphs are added at the end of Item 17 of the Franchise Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Transfer, Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning transfer, termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the respective agreement. This provision may not be enforceable under California law.

Initial Franchise Fees. The Initial Franchise Fee for each Franchise Agreement will not be paid by you until after the franchisor has completed its initial obligations under the Franchise Agreement and the franchise is open for business.

Interest Rates. ~~Item 6 is supplemented, and the~~ The Franchise Agreement is amended to provide that the highest interest rate allowed in California is 10% annually.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Florida with certain exceptions. This provision may not be enforceable under California law.

Intending to be bound, you and we sign and deliver this ~~Rider~~ Addendum in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.

FRANCHISOR

YOU (If an Individual):

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership

[Name of corporation, limited liability company or partnership:]

By: _____

Print Name: _____

Title: _____

**HAWAII ~~RIDER~~ADDENDUM TO
NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE ~~DISCLOSURE DOCUMENT AND FRANCHISE~~ AGREEMENT**

This ~~Rider~~Addendum is entered into this _____, (the “Effective Date”), between NATURAL AWAKENINGS PUBLISHING CORP., a Florida corporation, with its principle business address at 4851 Tamiami Trail, Suite 200, Naples, Florida 34103 (“we”, “us”, “our” or “Franchisor”), and _____, a(n) _____ (individual, corporation, etc.) whose principle business address is _____ — (referred to in the ~~Rider~~Addendum as “you”, “your”, or “Franchisee”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “Agreement”).

Section 6.1 of the Franchise Agreement is amended by adding the following language:

Based upon the franchisor’s financial condition, the Hawaii Securities Compliance Branch has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and franchisee is open for business.

Intending to be bound, you and we sign and deliver this ~~Rider~~Addendum in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.

FRANCHISOR

YOU (If an Individual):

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership:

[Name of corporation, limited liability company or partnership]

By: _____

Print Name: _____

Title: _____

**ILLINOIS ~~RIDER~~ADDENDUM TO
NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE ~~DISCLOSURE DOCUMENT AND FRANCHISE~~ AGREEMENT**

This ~~Rider~~Addendum is entered into this _____, (the “Effective Date”), between NATURAL AWAKENINGS PUBLISHING CORP., a Florida corporation, with its principle business address at 4851 Tamiami Trail, Suite 200, Naples, Florida 34103 (“we”, “us”, “our” or “Franchisor”), and _____, a(n) _____ (individual, corporation, etc.) whose principle business address is _____ — (referred to in the ~~Rider~~Addendum as “you”, “your”, or “Franchisee”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “Agreement”).

1. **Precedence and Defined Terms.** This ~~Rider~~Addendum is an integral part of, and is incorporated into, the Agreement. Nevertheless, this ~~Rider~~Addendum supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this ~~Rider~~Addendum have the meanings as defined in the Agreement.

2. Section 6.1 of the Franchise Agreement is amended by adding the following language:

Franchisor will defer payment of initial franchise fees until Franchisor has met its initial obligations to Franchisee, and the Franchisee has commenced business operations. The Illinois Attorney General s Office imposed this deferral requirement due to Franchisor’s financial status.

3. The Franchise Agreement is amended as follows:

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

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

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

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Section 30 of the Franchise Agreement is amended to add the following: Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.

4. Intending to be bound, you and we sign and deliver this ~~Rider~~Addendum in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.

(Signatures on Following Page)

FRANCHISOR

YOU (If an Individual):

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership:

[Name of corporation, limited liability company or partnership]

By: _____

Print Name: _____

Title: _____

**MARYLAND ~~RIDER~~ADDENDUM TO
NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

This ~~Rider~~Addendum (the "~~Rider~~Addendum") is entered into this _____, (the "Effective Date"), between **Natural Awakenings Publishing Corp.**, a Florida corporation, with its principle business address at **4851 Tamiami Trail, Suite 200**, Naples, Florida 34103 ("we", "us", "our" or "Franchisor"), and _____ a(n) _____ (individual, corporation, etc.) whose mailing address is _____.

1. **Precedence and Defined Terms.** This ~~Rider~~Addendum is an integral part of, and is incorporated into, the Agreement. Nevertheless, this ~~Rider~~Addendum supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this ~~Rider~~Addendum have the meanings as defined in the Agreement.
2. **Initial Franchise Fees.** Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
3. **General Release.** Pursuant to COMAR 02.03.08.16L, the general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise and Disclosure Law (the "**Maryland Law**").
4. **Limitation of Claims.** Provided, however, that any claims arising under the Maryland Law must be brought within three (3) years after the grant of the franchise to you.
5. **Jurisdiction.** Provided, however, that you may bring a lawsuit against us in Maryland for any claims arising under the Maryland Law.
6. **No Waiver.** The Franchise Agreement and the Franchise Compliance Certification are amended to provide that 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.
7. **Effective Date.** This ~~rider~~Addendum is effective on the Agreement Date regardless of the actual date of signature.

Intending to be bound, the parties sign and deliver this ~~Rider~~Addendum to each other as shown below:

FRANCHISOR

YOU (If an Individual):

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership

[Name of corporation, limited liability company or partnership:]

By: _____

Print Name: _____

Title: _____

**MINNESOTA ~~RIDER~~ADDENDUM TO THE
NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT**

This ~~Rider (the “Rider”)~~Addendum is entered into this _____, (the “Effective Date”), between **Natural Awakenings Publishing Corp.**, a Florida corporation, with its principle business address at **4851 Tamiami Trail, Suite 200**, Naples, Florida 34103 (“we”, “us”, “our” or “Franchisor”), and _____ a(n) _____ (individual, corporation, *etc.*) whose mailing address is: _____.

1. **Background.** You and we are parties to that certain Franchise Agreement dated _____, (the “Franchise Agreement”) that has been signed concurrently with the signature of this ~~Rider~~Addendum. This ~~Rider~~Addendum is annexed to and forms part of the Franchise Agreement. This ~~Rider~~Addendum is being signed because the **Natural Awakenings** Business to be operated by you pursuant to the Franchise Agreement will be located in the State of Minnesota and/or because you are a resident of the State of Minnesota.

2. **Renewal Rights.** Section 3.6.4.1 is amended to read as follows: “You and your Owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under Minnesota Franchise law.”

3. **Termination of Agreement.** The following is added at the beginning of Section 19: “Minnesota Law provides you with certain termination and non-renewal rights. Minn. Stat. §80C.14 subd. 3, 4 and 5 require, except in certain cases, that you be given ninety (90) days’ notice of termination (with sixty [60] days to cure) and one hundred eighty (180) days’ notice for nonrenewal of the Franchise Agreement.”

4. **Governing Law.** The following sentence is added at the end of Section 20:

MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

5. **Injunctive Relief.** Nothing in the Franchise Agreement is construed to mean that you are consenting to our obtaining injunctive relief. We may, however, seek injunctive relief. The court will determine if a bond is required.

6. **Limitations on Legal Actions.** The Section is amended to add the following to the end of said section: “Notwithstanding any provisions of this Agreement to the contrary, Franchisee will have up to three years after the cause of action accrues to bring an action against the Franchisor pursuant to Minn. Stat. §80C.17

[\[Signatures on Following Page\]](#)

IN WITNESS WHEREOF, the parties hereto have signed and delivered this ~~Rider~~Addendum in two (2) counterparts on the day and year first above written.

{Signatures on Following Page}

FRANCHISOR

YOU (If an Individual):

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership

Name of corporation, limited liability company or partnership:

By: _____

Print Name: _____

Title: _____

ADDENDUM REQUIRED BY RHODE ISLAND LAW

The Rhode Island Franchise Investment Act (§ 19-28.1-14) 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 enforcement under this Act.”

The undersigned does hereby acknowledge receipt of this addendum.

Dated _____.

FRANCHISOR

YOU (If an Individual):

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

If a corporation, limited liability company or partnership:

[Name of corporation, limited liability company or partnership:]

Name: _____

By: _____

Print Name: _____

Title: _____

WASHINGTON FRANCHISE AGREEMENT ADDENDUM

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site ~~shall~~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 the event of a conflict of laws, the provisions~~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, Chapter 19.100 RCW shall prevail in Washington.

A release or waiver of rights executed by a franchisee ~~shall~~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.

Section 6.1 of the Franchise Agreement is amended to provide that the collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

[Signatures on Following Page]

The undersigned does hereby acknowledge receipt of this addendum.

Dated .

FRANCHISOR

YOU (If an Individual):

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership:

[Name of corporation, limited liability company or partnership:]

Name: _____

By: _____

Print Name: _____

Title: _____



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT E

PROMISSORY NOTE

NATURAL AWAKENINGS PUBLISHING CORP.

PROMISSORY NOTE

\$24,500/\$34,500

Naples, Florida USA
[DATE]

FOR VALUE RECEIVED, the undersigned, [FRANCHISEE NAME] (“Franchisee”) and [GUARANTOR NAMES] (“Guarantors”) (Franchisee and Guarantor(s) are collectively referred to as “Borrower”), promises to pay to the order of NATURAL AWAKENINGS PUBLISHING CORP. (“Holder”) or its registered assigns, by wire transfer, or in such other manner as the holder of this Note from time to time specifies by notice in writing to the Borrower, in lawful money of the United States of America, the principal sum of **Twenty-Four Thousand and Five Hundred Dollars (\$24,500)/ Thirty-Four Thousand and Five Hundred Dollars (\$34,500)**, as set forth below, with interest at the rate of four/seven percent (4/7%) per annum.

This Note is entered into pursuant to a Franchise Agreement between the Borrower and Holder dated on or about [FRANCHISE AGREEMENT DATE] (the “Franchise Agreement”).

The principal balance and all accrued interest will be paid in *forty-eight (48)/sixty (60)/seventy-two (72)* monthly installments of *\$533.19/\$451.20/\$588.19*, commencing on [DATE OF FIRST PAYMENT] and continuing each month until the entire principal balance and all accrued interest is paid in full. At the election of the Holder, all payments will be made by electronic funds transfer to the account to the holder.

Borrower has the right to prepay all or any portion of the outstanding balance of this Note at any time and from time-to-time without penalty.

If any installment of the principal under this Note is not paid in full when due, or Borrower defaults in the performance of its obligations or payments of amounts due pursuant to the Franchise Agreement, whether or not Borrower or any person or entity acting on Borrower’s behalf cures the default in the performance of the Franchise Agreement or payment of any amounts due pursuant to the Franchise Agreement; then, thereafter, a fee of One Thousand and Five Hundred Dollars (\$1,500) is due every 30 days for a period of 60 days, of which Seven Hundred and Fifty Dollars (\$750) will be applied first towards any accrued but unpaid interest and the balance, if any, to the principal balance, and Seven Hundred and Fifty Dollars (\$750) will be due as a late fee. If the ~~principle~~principal balance and all accrued but unpaid interest is not paid in full by [DATE LAST PAYMENT IS DUE], a late fee of One Thousand and Five Hundred Dollars (\$1,500) will be due as of such date and every subsequent 30 days thereafter until payment is made in full and none of such late fee will be applied to the principle balance or any accrued but unpaid interest.

No delay on the part of the holder in exercising any right or remedy hereunder will operate as a waiver of or preclude the exercise of such right or remedy or of any other remedy under this Note or the Franchise Agreement. No waiver by the holder hereof will be effective unless in writing signed by such holder. A waiver on any one occasion will not be construed as a waiver of any such right or remedy on any other occasion.

Presentment or other demand for payment, notice of dishonor and protest are expressly waived.

If this Note is not paid when due, in addition to the late fee that Borrower is required to pay, Borrower will be in default in the performance of its obligations in the Franchise Agreement; and, Holder will have the right to terminate the Franchise Agreement and enforce any and all remedies for non-payment in the Franchise Agreement. The provisions of the Franchise Agreement will govern payment of the principal balance of this Note and will be enforced in accordance therewith.

All capitalized terms not defined in this Note have the same meaning as in the Franchise Agreement.

This Note is governed by the laws of the State of Florida, USA.

[FRANCHISEE NAME]

By: _____

Name: _____

Title: _____

[GUARANTOR(S)]

Name: _____

Name: _____

NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT F

STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
NATURAL AWAKENINGS PUBLISHING CORP.
STATE OF CALIFORNIA**

The following paragraphs are added at the end of Item 17 of the Franchise Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Transfer, Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning transfer, termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the respective agreement. This provision may not be enforceable under California law.

Initial Franchise Fees. The Initial Franchise Fee for each Franchise Agreement will not be paid by you until after the franchisor has completed its initial obligations under the Franchise Agreement and the franchise is open for business.

Interest Rates. Item 6 is supplemented, and the Franchise Agreement is amended to provide that the highest interest rate allowed in California is 10% annually.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Florida with certain exceptions. This provision may not be enforceable under California law.

~~Intending to be bound, you and we sign and deliver this Rider in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.~~

~~FRANCHISOR _____ YOU (If an Individual):~~

~~By: _____ By: _____~~

~~Name: _____ Name: _____~~

~~Title: _____ Title: _____~~

~~Date: _____ Date: _____~~

~~If a corporation, limited liability company or partnership~~

~~Name of corporation, limited liability company or partnership:~~

By: _____

Print Name: _____

Title: _____

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
NATURAL AWAKENINGS PUBLISHING CORP.
STATE OF HAWAII**

THIS ADDENDUM (the “**Addendum**”) amends the Franchise Disclosure Document of **Natural Awakenings Publishing Corp.** for its **Natural Awakenings magazine franchise**.

1. Item 5 of the Franchise Disclosure Document and Section 6.1 of the Franchise Agreement are amended by adding the following language:

Based upon the franchisor’s financial condition, the Hawaii Securities Compliance Branch has required a financial assurance. Therefore, all Initial Franchise Fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and franchisee is open for business.

2. The following Risk Factor is added to the State Cover Page and is stated as follows:

A REVIEW OF THE FRANCHISOR’S AUDITED FINANCIAL STATEMENTS INDICATE THAT THE FRANCHISOR’S LIABILITIES EXCEED ITS ASSETS. THIS IS A NEGATIVE EQUITY SITUATION THAT SHOULD BE CONSIDERED IN YOUR INVESTMENT DECISION.

~~Intending to be bound, you and we sign and deliver this Addendum in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.~~

~~FRANCHISOR _____ YOU (If an Individual):~~

~~BY: _____ BY: _____~~

~~Name: _____ Name: _____~~

~~Title: _____ Title: _____~~

~~Date: _____ Date: _____~~

~~If a corporation, limited liability company or partnership~~

~~Name of corporation, limited liability company or partnership:~~

By: _____

Print Name: _____

Title: _____

**ILLINOIS ~~RIDER~~ADDENDUM TO
NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE DISCLOSURE DOCUMENT ~~AND FRANCHISE AGREEMENT~~**

This ~~Rider~~Addendum is entered into this _____, (the “Effective Date”), between NATURAL AWAKENINGS PUBLISHING CORP., a Florida corporation, with its principle business address at 4851 Tamiami Trail, Suite 200, Naples, Florida 34103 (“we”, “us”, “our” or “Franchisor”), and _____ a(n) _____ (individual, corporation, etc.) whose principle business address is _____ (referred to in the ~~Rider~~Addendum as “you”, “your”, or “Franchisee”) and amends the Franchise ~~Agreement between the parties~~Disclosure Document dated as of the Effective Date, ~~(the “Agreement”)~~ above.

1. **Precedence and Defined Terms.** This ~~Rider~~Addendum is an integral part of, and is incorporated into, the ~~Agreement~~Disclosure Document. Nevertheless, this ~~Rider~~Addendum supersedes any inconsistent or conflicting provisions of the ~~Agreement~~Disclosure Document. Terms not otherwise defined in this ~~Rider~~Addendum have the meanings as defined in the ~~Agreement~~Disclosure Document.

2. Item 5 of the Franchise Disclosure Document ~~and Section 6.1 of the Franchise Agreement are~~is amended by adding the following language:

Franchisor will defer payment of initial franchise fees until Franchisor has met its initial obligations to Franchisee, and the Franchisee has commenced business operations. The Illinois Attorney General s Office imposed this deferral requirement due to Franchisor’s financial status.

3. ~~The Franchise Disclosure Document and Franchise Agreement are~~is amended as follows:

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

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

Section 15 of the Illinois Franchise Disclosure Act provides that Franchisor will defer payment of initial franchise fees until Franchisor has met its initial obligations to Franchisee, and the Franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial status.

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

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. Section 30 of the Franchise Agreement is amended to add the following: Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.

~~4. Intending to be bound, you and we sign and deliver this Rider in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.~~

~~{Signatures on Following Page}~~

FRANCHISOR

YOU (If an Individual):

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership

Name of corporation, limited liability company or partnership:

By: _____

Print Name: _____

Title: _____

**ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
NATURAL AWAKENINGS PUBLISHING CORP.
STATE OF MARYLAND**

THIS ADDENDUM (the “Addendum”) amends the Franchise Disclosure Document of **Natural Awakenings Publishing Corp.** for its **Natural Awakenings magazine franchise.**

1. ~~3-~~Item 5 of the Franchise Disclosure Document ~~and Section 6.1 of the Franchise Agreement are~~ is amended by adding the following language:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all ~~Initial Franchise Fees~~ initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. ~~4-~~Sections (c) and (m) of Item 17 of the Franchise Disclosure Document are amended by adding the following language:

*Pursuant to COMAR 02.03.08.16L, the general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise and Disclosure Law (the “**Maryland Law**”).*

3. ~~5-~~Item 17 of the Franchise Disclosure Document is amended by adding the following language after the table:

- (a) *A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.*
- (b) *The provision of the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.)*
- (c) *Any claims arising under the Maryland Law must be brought within three (3) years after the grant of the franchise.*

~~MARYLAND RIDER TO~~

~~NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT~~

~~This Rider (the "Rider") is entered into this _____, (the "Effective Date"), between Natural Awakenings Publishing Corp., a Florida corporation, with its principle business address at 4851 Tamiami Trail, Suite 200, Naples, Florida 34103 ("we", "us", "our" or "Franchisor"), and _____ a(n) _____ (individual, corporation, etc.) whose mailing address is _____.~~

- ~~1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.~~
- ~~2. **Initial Franchise Fees.** Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all Initial Franchise Fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.~~
- ~~3. **General Release.** Pursuant to COMAR 02.03.08.16L, the general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise and Disclosure Law (the "Maryland Law").~~
- ~~4. **Limitation of Claims.** Provided, however, that any claims arising under the Maryland Law must be brought within three (3) years after the grant of the franchise to you.~~
- ~~5. **Jurisdiction.** Provided, however, that you may bring a lawsuit against us in Maryland for any claims arising under the Maryland Law.~~
- ~~6. **No Waiver.** The Franchise Agreement and the Franchise Compliance Certification are amended to provide that 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.~~
- ~~7. **Effective Date.** This rider is effective on the Agreement Date regardless of the actual date of signature.~~

~~Intending to be bound, the parties sign and deliver this Rider to each other as shown below:~~

~~FRANCHISOR _____ YOU (If an Individual):~~

~~BY: _____ BY: _____~~

~~Name: _____ Name: _____~~

~~Title: _____ Title: _____~~

Date: _____

Date: _____

If a corporation, limited liability company or partnership

Name of corporation, limited liability company or partnership:

By: _____

Print Name: _____

Title: _____

ADDENDUM

TO FRANCHISE DISCLOSURE DOCUMENT FOR NATURAL AWAKENINGS PUBLISHING CORP. STATE OF MINNESOTA

Additional Disclosures:

1. MINNESOTA LAW PROVIDES YOU WITH CERTAIN TERMINATION AND NON-RENEWAL RIGHTS. MINN. STAT. § 80C.14 SUBD. 3, 4 AND 5 REQUIRE, EXCEPT IN CERTAIN CASES, THAT YOU BE GIVEN NINETY (90) DAYS' NOTICE OF TERMINATION (WITH SIXTY (60) DAYS TO CURE) AND ONE HUNDRED EIGHTY (180) DAYS' NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT.
2. MINN. STAT. §80C.21 AND MINN. RULE 2860.4400j PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED IN THE MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR THE BY THE LAWS OF THE JURISDICTION.
 - a. Item 17 is amended by adding the following:

You and your Owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under the Minnesota Franchise law.
 - b. Item 17, summary column for (f) is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.14, subds, 3, 4 and 5 which require, except in certain specified cases, that you be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for nonrenewal of the franchise agreement and that consent to transfer of the franchise will not be unreasonably withheld.
 - c. Item 17, summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.
 - d. Item 17, summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Franchise Disclosure Document or agreement can be 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.

~~MINNESOTA RIDER TO THE~~

~~NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE AGREEMENT~~

This Rider (the "Rider") is entered into this _____, (the "Effective Date"), between ~~Natural Awakenings Publishing Corp.~~, a Florida corporation, with its principle business address at ~~4851 Tamiami Trail, Suite 200~~, Naples, Florida 34103 (~~"we", "us", "our" or "Franchisor"~~), and _____, a(n) _____ (individual, corporation, etc.) whose mailing address is: _____.

1. ~~**Background.** You and we are parties to that certain Franchise Agreement dated _____, (the "Franchise Agreement") that has been signed concurrently with the signature of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the Natural Awakenings Business to be operated by you pursuant to the Franchise Agreement will be located in the State of Minnesota and/or because you are a resident of the State of Minnesota.~~

2. ~~**Renewal Rights.** Section 3.6.4.1 is amended to read as follows: "You and your Owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under Minnesota Franchise law."~~

3. ~~**Termination of Agreement.** The following is added at the beginning of Section 19: "Minnesota Law provides you with certain termination and non-renewal rights. Minn. Stat. §80C.14 subd. 3, 4 and 5 require, except in certain cases, that you be given ninety (90) days' notice of termination (with sixty [60] days to cure) and one hundred eighty (180) days' notice for nonrenewal of the Franchise Agreement."~~

4. ~~**Governing Law.** The following sentence is added at the end of Section 20:~~

~~MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.~~

5. ~~**Injunctive Relief.** Nothing in the Franchise Agreement is construed to mean that you are consenting to our obtaining injunctive relief. We may, however, seek injunctive relief. The court will determine if a bond is required.~~

6. ~~**Limitations on Legal Actions.** The Section is amended to add the following to the end of said section: "Notwithstanding any provisions of this Agreement to the contrary, Franchisee will have up to three years after the cause of action accrues to bring an action against the Franchisor pursuant to Minn. Stat. §80C.17"~~

~~IN WITNESS WHEREOF, the parties hereto have signed and delivered this Rider in two (2) counterparts on the day and year first above written.~~

~~{Signatures on Following Page}~~

FRANCHISOR _____

YOU (If an Individual): _____

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

If a corporation, limited liability company or partnership

Name of corporation, limited liability company or partnership:

By: _____

Print Name: _____

Title: _____

NEW YORK ~~RIDER~~ADDENDUM TO THE
NATURAL AWAKENINGS PUBLISHING CORP.
FRANCHISE DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005, (212) 416-8236.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDENDUM REQUIRED BY RHODE ISLAND LAW

The Rhode Island Franchise Investment Act (§ 19-28.1-14) 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 enforcement under this Act.”

VIRGINIA FRANCHISE ~~AGREEMENT~~ DISCLOSURE DOCUMENT ADDENDUM

The following statement is added to ITEM 5 of the Franchise Disclosure Document ~~and Section 6.1 of the Franchise Agreement:~~

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

~~The undersigned does hereby acknowledge receipt of this addendum.~~

Dated _____:

FRANCHISOR _____ YOU (If an Individual):

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

If a corporation, limited liability company or partnership:

Name: _____

By: _____

Print Name: _____

Title: _____

WASHINGTON FRANCHISE ~~AGREEMENT~~ DISCLOSURE DOCUMENT ADDENDUM

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

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

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

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer. ITEM 5 of the Franchise Disclosure Document ~~and Section 6.1 of the Franchise Agreement are~~ is amended to provide that the collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

ITEM 5 of the Franchise Disclosure Document is amended to state:

“Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State”.

~~The undersigned does hereby acknowledge receipt of this addendum.~~

Dated _____.

FRANCHISOR _____ YOU (If an Individual):

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

~~If a corporation, limited liability company or partnership:~~

Name: _____

By: _____

|

Print Name: _____

|

Title: _____



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT G

STATE EFFECTIVE DATES

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, ~~Florida~~, Hawaii, ~~Kentucky~~, Illinois, Indiana, Maryland, Michigan, Minnesota, ~~Nebraska~~, New York, North Dakota, Rhode Island, South Dakota, ~~Texas~~, ~~Utah~~, Virginia, Washington and Wisconsin.

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

State	Effective Date
California	June 24, 2020 <u>Not Registered</u>
Florida	April 3, 2020
Hawaii	<u>Not Registered</u>
Illinois	Pending
Indiana	July 1, 2020 <u>Not Registered</u>
Kentucky*	April 20, 2016
Maryland	
Michigan	June 6, 2020
Minnesota	Pending
Nebraska*	Not registered
New York	Pending
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Texas*	September 21, 2009
Virginia	June 26, 2020
Utah	June 11, 2020
Washington	
Wisconsin	June 10, 2020 <u>Not Registered</u>

~~* One-Time Filing~~ 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.



NATURAL AWAKENINGS PUBLISHING CORP.

EXHIBIT H

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If NACP 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, NACP or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that NACP give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that NACP give you this Disclosure Document at least 10 business days before the execution of any binding Franchise Agreement or other agreement or the payment of any consideration, whichever occurs first.

If NACP 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 in the State Agency Exhibit (Exhibit A).

Issuance Date: ~~June 5~~ April 28, 2020 ~~2021~~. The effective dates for this Disclosure Document in the franchise registration states are listed in Exhibit G.

The franchise ~~seller(s)~~ sellers for this offering are: Sharon Bruckman, Joseph Dunne, Rachael Oppy, Anne-Marie Ryan and Heather Gibbs, 4851 Tamiami Trail, Suite 200, Naples, FL 34103.

NACP authorizes the respective state agencies identified in the State Agency Exhibit to receive service of process for it in the particular state.

I received this Disclosure Document, dated ~~June 5~~ April 28, 2020 ~~2021~~, that included the following exhibits:

- | | |
|--|-------------------------------------|
| A. State Authorities & Agents for Service of Process | C.2 Franchisees Who Left the System |
| B. Financial Statements | D. Franchise Agreement |
| C. Roster of Franchisees | E. Promissory Note |
| C.1 Current Franchisees | F. State Specific Addenda |
| | G. State Effective Dates |
| | H. Receipts |

Franchisee's signature:

Print Name: _____

Address: _____

City/State/Zip: _____

Telephone: _____

Dated: _____

Franchisee's signature:

Print Name: _____

Address: _____

City/State/Zip: _____

Telephone: _____

Dated: _____

Franchisee's Copy – Retain for your records.

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 NACP 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, NACP or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that NACP give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that NACP give you this Disclosure Document at least 10 business days before the execution of any binding Franchise Agreement or other agreement or the payment of any consideration, whichever occurs first.

If NACP 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 in the State Agency Exhibit (Exhibit A).

Issuance Date: ~~June 5~~ April 28, 2020 ~~2021~~. The effective dates for this Disclosure Document in the franchise registration states are listed in Exhibit G.

The franchise ~~seller(s)~~ sellers for this offering are: Sharon Bruckman, Joseph Dunne, Rachael Oppy, Anne-Marie Ryan and Heather Gibbs, 4851 Tamiami Trail, Suite 200, Naples, FL 34103.

NACP authorizes the respective state agencies identified in the State Agency Exhibit to receive service of process for it in the particular state.

I received this Disclosure Document, dated ~~June 5~~ April 28, 2020 ~~2021~~, that included the following exhibits:

- | | |
|--|-------------------------------------|
| A. State Authorities & Agents for Service of Process | C.2 Franchisees Who Left the System |
| B. Financial Statements | D. Franchise Agreement |
| C. Roster of Franchisees | E. Promissory Note |
| C.1 Current Franchisees | F. State Specific Addenda |
| | G. State Effective Dates |
| | H. Receipts |

Franchisee's signature:

Print Name: _____

Address: _____

City/State/Zip: _____

Telephone: _____

Dated: _____

Franchisee's signature:

Print Name: _____

Address: _____

City/State/Zip: _____

Telephone: _____

Dated: _____

Franchisor's Copy – Send to: Natural Awakenings Publishing Corporation, 4851 Tamiami Trail, Suite 200, Naples, FL 34103, Fax: 239-434-9513