

FRANCHISE DISCLOSURE DOCUMENT
The Inside Coup Franchising Company, Inc
an Arizona corporation

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This franchise is for the operation of a business under the name "The Inside Coup" that produces an upscale, direct mail magazine that includes features, articles and coupons for local businesses and that is distributed monthly

The total estimated initial investment necessary to begin operation of a The Inside Coup franchise is \$57,317-\$452,367 This includes \$39,807-\$418,757 that must be paid to the franchisor or its affiliate

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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale Note, however, that no government agency has verified the information contained in this document

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact David Sluman, 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250 and 602 595 6550

The terms of your contract will govern your franchise relationship Don't rely on the disclosure document alone to understand your contract Read all of your contract carefully Show your contract and this disclosure document to an advisor, like a lawyer or 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-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580 You can also visit the FTC's home page at www.ftc.gov for additional information Call your state agency or visit your public library for other sources of information on franchising

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

Issuance Date: April 10, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY. CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise.

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN ARIZONA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.

2 THE FRANCHISE AGREEMENT STATE THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3 THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

4 THE FRANCHISE AGREEMENT REQUIRES YOU TO MEET MINIMUM SALES REQUIREMENTS. YOUR FRANCHISE AGREEMENT MAY BE TERMINATED IF YOU FAIL TO SATISFY THE MINIMUM SALES REQUIREMENTS IN EXHIBIT 1 TO THE FRANCHISE AGREEMENT.

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Issuance Date April 10, 2019

See the next page for state effective dates.

STATE EFFECTIVE DATES

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

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

State	Status	Effective Date
California		
Florida		
Illinois		
Indiana		
Michigan		
Minnesota		
New York		
Utah		
Washington		

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR, AND ANY PARENTS PREDECESSORS AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	2
ITEM 3 LITIGATION	3
ITEM 4 BANKRUPTCY	3
ITEM 5 INITIAL FEES	3
ITEM 6 OTHER FEES	4
ITEM 7 ESTIMATED INITIAL INVESTMENT	9
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
ITEM 9 FRANCHISEE'S OBLIGATIONS	13
ITEM 10 FINANCING	14
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	14
ITEM 12 TERRITORY	22
ITEM 13 TRADEMARKS	24
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	25
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	27
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	27
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	27
ITEM 18 PUBLIC FIGURES	31
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	31
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	35
ITEM 21 FINANCIAL STATEMENTS	37
ITEM 22 CONTRACTS	37
ITEM 23 RECEIPTS	37

EXHIBITS

A – State Agencies/Agents for Service of Process	
B – Multi-State Addendum to Disclosure Document	
C – Franchise Agreement	
D –Development Agreement	
E – Franchisee Lists	
F – Financial Statements	
G – Franchisor Compliance Questionnaire	
H – Table of Contents for Confidential Operations Manual	
I – Form of General Release	
J – Receipts	

ITEM 1
THE FRANCHISOR AND ANY PARENTS PREDECESSORS AND AFFILIATES.

The Franchisor

The Inside Coup Franchising Company, Inc. ("we" or "us") is a corporation that was incorporated on February 27, 2015 in the State of Arizona. Our principal place of business is 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250. We do business under our corporate name and under the name "The Inside Coup." We will refer to the person or corporate entity who buys this franchise as "you," which includes all franchise owners and partners, if franchisee is a corporation, partnership or other entity, throughout this Disclosure Document.

We are offering franchises for the operation of businesses (the "Business" or "Franchised Business") that produce a direct mail magazine (the "Services"). We do not own any locations of the type being franchised. We have offered franchises since June 2015. We have not conducted business in any other line of business. We have not offered franchises in any other line of business. Our agents for service of process are listed in Exhibit A.

Our Parent, Predecessors and Affiliates

We have no parent or predecessor but have two (2) affiliates.

Our first affiliate is Covered Marketing, LLC, an Arizona limited liability company headquartered at our address ("Supply Affiliate"). Our Supply Affiliate does not own or operate a business of the type being franchised. Our Supply Affiliate will be the approved supplier for graphic design, magazine layout, editing, print, mailing coordination, and other similar services. Our Supply Affiliate may also prepare invoices for your clients and send them to you for you to distribute and collect payment and/or provide data entry services to you. Our Supply Affiliate has never offered franchises in this or any other line of business.

Our second affiliate is The Inside Coup Advertising Company, LLC, an Arizona limited liability company headquartered at our address ("Operating Affiliate"). Our Operating Affiliate previously owned and operated businesses of the type being offered in this Disclosure Document. The Operating Affiliate sold its the Inside Coup businesses to a franchisee in 2017. Our Operating Affiliate is not an approved supplier of any product or service you must purchase or lease. Our Operating Affiliate has never offered franchises in this or any other line of business.

The System

Our system includes specific methods, uniform standards, specifications and procedures for the design, publishing, and monthly distribution of a direct mail magazine that has feature articles and coupons for local businesses, including techniques, design and processes, standards and specifications for the magazine, processes, methods and techniques for inventory and cost controls, recordkeeping and reporting, personnel management, sales, promotion and advertising, all of which may be changed, improved and further developed by us (the "System"). The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark "The Inside Coup®" as are now designated and may in the future be designated by us in writing for use with the System (the "Proprietary Marks").

The Franchise Offered

We will offer "The Inside Coup" franchises to qualified individuals and corporate entities for the operation of a business that produces a direct mail magazine. As a franchisee, you will sell ads and market the magazine in local territories, which will fund your Business. Our franchise agreement (the "Franchise

Agreement”), which is attached to this Disclosure Document as Exhibit C, gives you the right to establish and operate one Business and the right to use the Proprietary Marks and the System solely with the operation of the Business, and solely within the territory granted to you. We expect that you will operate your Franchised Business from a home office, if you are permitted to do so by local regulations.

You will sign a Franchise Agreement with respect to your first The Inside Coup franchised business. You may sign a Development Agreement in addition to the Franchise Agreement. If you sign the Development Agreement, you will have the right to open additional The Inside Coup businesses in a manner consistent with the Development Schedule outlined in the Development Agreement. You will be required to sign our then current Franchise Agreement with respect to each additional The Inside Coup franchised business opened, which may differ from the current Franchise Agreement included with this Disclosure Document. If you commit to at least two (2) additional The Inside Coup franchised businesses, you will receive a reduced Initial Franchise Fee as to each of the three (3) The Inside Coup Businesses. The minimum development obligation and development schedule will be negotiated between you and Franchisor prior to your execution of the Development Agreement.

Industry Specific Laws

There are no laws or regulations that are specific to the operation of this type of business, but you will have to obtain local business permits before opening. Your local laws may prohibit operating a business from your home or may require a special permit to do so. There may be other local or state laws applicable to your business, so we urge you to make further inquiries.

You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

Market and Competition

Your target market includes small, businesses within your Designated Territory. The general market for direct mail businesses is well developed and highly competitive. Your Business will compete with other direct mail, digital, electronic, door-to-door, and other marketing companies including national, regional, and local firms, some of which may be franchise systems.

ITEM 2 BUSINESS EXPERIENCE

President-David Silman Mr. Silman has been our President since our inception in February 2015, and has been Owner of our Supply Affiliate since March 2011. He has also been Owner of our Operating Affiliate since September 2011. From February 1999 to December 2014, he was a franchisee with Our Town of Phoenix in Phoenix, Arizona.

Vice President of Franchise Development-Teri Sullivan Ms. Sullivan has been our Vice President of Franchise Development since May 2017. From November 2013 through January 2017, Ms. Sullivan was the Director of sales for Clipper Magazine in Phoenix, Arizona. From January 2012 through November 2013, Ms. Sullivan was a Regional Marketing Consultant with Clipper Magazine in Chandler, Arizona.

Creative Director-Elena Bornacini Ms. Bornacini has been our Creative Director since October 2018. From April of 2016 through September of 2017, Ms. Bornacini was a lead designer for the Inside Coup Magazine. From January 2017 through September 2017, Ms. Bornacini was a student at the Scottsdale Community College Graphic Design Program.

Vice President of Operations-Nancy Singer Ms Singer has been our Director of Administration and Vice President of Operations Administration of our affiliate The Inside Coup Advertising Company, Inc since May 2011 She has held that same position with us since our inception in February 2015

Marketing Manager-Scott Sokol Mr Sokol has been our Marketing Manager since October 2018 From May 2018 through October 2018, Mr Sokol was our Digital Marketing Coordinator From November 2014 through February 2018, Mr Sokol was a Digital Marketer with San Tan Natural Medicine in Gilbert, Arizona From November 2013 through November 2014, Mr Sokol was the Director of Regional Development for The CEU Group in Mesa, Arizona

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item

ITEM 4 **BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item

ITEM 5 **INITIAL FEES**

You must pay to us an initial franchise fee ("Initial Franchise Fee") based upon the number of "Zones" that are included in your Designated Territory Each Zone includes approximately 20,000 mailing addresses The minimum Designated Territory will consist of three (3) Zones The chart below identifies the Initial Franchise Fee payable depending upon the number of Zones included in your Designated Territory

Number of Zones	Per Zone Fee	Initial Franchise Fee	Approximate Number of Addresses
3	\$13,000	\$39,000	60,000
4-8	\$11,000	\$44,000-\$88,000	80,000-160,000
9+	\$10,000	\$90,000+	180,000+

The initial franchise fee includes the jump-start program that we provide to you Our jump-start program includes five (5) days of on-site training at your Business within your first 90 days of operation, up to 1,500 business contacts, a customer relationship management ("CRM") database we provide to you, one (1) free postcard mailing (1,500 pieces), and your initial supply of business cards

You will also pay us \$507 (\$169 per month for the first 3 months) in Administration Support Fees

You have the option but not the obligation to enter into a Development Agreement with us The Development Agreement grants you an agreed upon timeline to open Zones If you enter into a Development Agreement with us, you will pay us a Development Fee The Development Fee is based upon the same chart as the chart above

There are no other payments to or purchases from us or any affiliate that you must make before your Business opens

ITEM 6
OTHER FEES

Name of Fee (1)	Amount	Date Due	Remarks
Royalty Fee (2)	5% of Gross Sales.(3)	Payable monthly	The Royalty Fee is payable by electronic funds transfer to Franchisor two days after our Supply Affiliate provides you with your client invoices
Corporate Referral Fee (3)	10% of Gross Sales	Payable Monthly	If the Inside Coup corporate team identifies a National Account, Franchisee shall be obligated, in addition to the Royalty Fee, to pay Franchisor or its Affiliate(s) an amount equal to ten percent (10%) of the Gross Sales generated by Franchisee for such placement A "National Account" is a client or potential client, with offices and/or activities in more than one Designated Territory that Franchisor or our affiliates secure as a client
Cross-Sales Fee (4)	Varies Paid by franchisee that publishes an advertisement sold by a different franchisee	Payable monthly	Details of the Cross-Sales program and fee structure are included in the Manual Cross-Sales Fees are paid by ACH by franchisees directly to other franchisees Cross-Sales
Lead Generation	\$500 per month	Must be spent monthly	Payable in connection with your local business development and business relationship building Any promotional materials you propose to use in connection with Lead Generation efforts must first be approved by us We may increase this fee upon thirty (30) days written notice to you
Initial Training (For New or Replacement Employees)	Our then-current per person training fee, plus expenses Current per person training fee = \$300 per day	Before Training	We will We will training up to two people at no additional charge One of those people needs to be the franchisee or an operating principal of the franchisee If you request that we provide our initial training program to any additional people, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals, and wages

Name of Fee (1)	Amount	Date Due	Remarks
Additional On-Site Training	Our then-current per diem fee per trainer, plus expenses Current per diem fee is \$300	15 days after billing	If we or you that we determine that you need additional training, you must pay our daily fee for each trainer we send to your Business, and you must reimburse each trainer's expenses, including travel, lodging and meals
Sales Training Program Fee (5)	Current per person training fee is \$300 per salesperson per Sales Training Program	Prior to your salespersons attendance at the Sales Training Program	This fee does not include the travel and living expenses or employee salaries your salespeople will incur while attending the Sales Training Program, each of which is your responsibility
Marketing Development Fund Contribution (6)	Up to two percent (2%) of Gross Sales The current Marketing Development Fund Contribution is one percent (1%)		Payable at the same time and in the same manner as your Royalty Fees We reserve the right to increase the Marketing Development Fund Contribution upon thirty (30) days written notice to you
Administration Support Fee (7)	\$169 per month per Zone	Paid at the same time and in the same manner as you pay Royalties	We offer Accounting Services and Data Entry Services to Franchisees If you request that we provide both services, you will pay us \$169 per Zone per month The details of the Administration Support Fee is in the Operations Manual and other materials we provide to you You must use us for these services and pay us \$169 per month per Zone for the Accounting Package for the first six months of your Franchised Business's operation. After six (6) months, the Administration Support Fee is optional
Design Fees	\$25 00 New Ad Design Fee – one-time fee for an initial ad design \$10 00 Spec Ad Design Fee – If we design an ad you would like to use for a presentation before the client is sold	Upon invoice	You may retain us to provide design services for your sales presentations and ad placements You will pay us Design Fees for these services
Additional Optional Service Fees	\$6 00/per Call Tracking Phone Numbers (Call Forwarding) \$12 00/month Additional CRM Users (2 Free Users) \$50 00/month, plus postage Mailing Services \$50/ Per Editorial Interview \$8/Hour \$50/Per Sale – Telemarketing Service	Monthly	

Name of Fee (1)	Amount	Date Due	Remarks
Transfer Fee	\$15,000	Upon completion of the transfer	We will not charge a transfer fee for a one-time transfer from individuals to a corporate entity that has been formed for convenience of ownership of the franchise
Renewal Fee	\$1	Upon renewal of the Franchise Agreement	
Interest	Lesser of 1 5% per month or highest commercial contract interest rate permitted by law	15 days after billing	Due on all overdue amounts Interest will accrue from the original due date until payment is received in full
Audit	Reimbursement of audit costs (estimated to be between \$1,000 and \$5,000)	On demand	If we conduct an audit due to your failure to provide reports when required, or if an audit shows that you have understated either Gross Sales or any amount owed to us by 2% or more, you must reimburse the costs of the audit You must also pay any understated amount plus interest
Management Fee	20% of Gross Sales, plus expenses	As incurred	We have the right to step in and manager your Business in certain circumstances, including after your or your managing owner's death or disability or after your default or abandonment
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	If you default under your Franchise Agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating your Franchise Agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Business, or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner
Liquidated Damages	Based upon formula described in Remarks	15 days after termination	If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement

Name of Fee (1)	Amount	Date Due	Remarks
			had it not been terminated, whichever is lower
Insurance	Reimbursement of our costs	Upon demand, if incurred	If you do not purchase the required insurance coverages, we may (but are not required to) purchase insurance for you
Production Fee (8)	Will vary under the circumstances	Monthly	Paid to our Supply Affiliate, who will produce your magazine Production Fees are the fees paid for the production of your The Inside Coup magazine Zones are a geographic area having approximately 20,000 addresses There is an approximate production run of 20,000 magazines for each Zone in your Designated Territory
Alternative Supplier Fee	A charge not to exceed the reasonable cost of the inspection and the actual cost of the test must be paid to us either by you or by the proposed supplier-	Upon demand	We may permit alternative suppliers for other others products and services All requests for approving new or alternative suppliers must be submitted in writing by you and/or the supplier to us

1 Except as otherwise noted in this Item 6, all fees are imposed uniformly on all franchisees and collected by and payable to us Unless noted above, all fees are non-refundable All payments due to us are payable by electronic funds transfer, unless we specify otherwise You must sign the documents we or your bank need to allow us to automatically debit your bank account for the amounts due

2 "Gross Sales" shall include all revenue received by you (including actual deposits in your bank accounts as well as undeposited cash receipts) from, through, by, or on account of the operation of your Franchised Business, whether received in cash, in services or in kind, less (i) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers and paid to taxing authorities, and (ii) the amount of any documented refunds, credits and allowances given in good faith to customers by you

3 Corporate Referral Fees are payable to us or our Affiliate(s) for the purchase of advertising space in your Inside Coup magazine, directly from you or through us from a National Account A "National Account" is a client or potential client, with offices and/or activities in more than one Designated Territory that Franchisor or our affiliates secure as a client If a National Account publishes an advertisement in one or more of your The Inside Coup magazines, you will pay us, in addition to Royalty Fee, a Corporate Referral Fee (See Item 6) equal to ten percent (10%) of the Gross Revenue generated by you from that National Account We are not required to pay you a fee in connection with the soliciting of National Accounts in your Designated Territory

4 Cross-Sale Fees are payable to other franchisees that sell advertising space in your The Inside Coup magazine to a national or regional account We will collect Cross-Sales Fees that you owe and distribute them to the franchisee(s) to whom such fees are due There are no formulas used in calculating Cross-Sale Fees The amount of Cross-Sale Fees payable will vary depending upon the size and volume of advertisements placed in your The Inside Coup magazine Cross-Sale Fees are payable at the same time

and in the same manner as Royalties

5 Each person that you employ to sell advertising space in your The Inside Coup magazine must attend and satisfactorily complete our Sales Training Program prior to selling advertising space in your The Inside Coup magazine (unless we waive this requirement or provide you with a different deadline for your employees to complete this training program) The subjects and requirements of the Sales Training Program are included in our Confidential Operations Manual You will pay us a Sales Training Program Fee per attendee We reserve the right to increase the Sales Training Program Fee at any time upon thirty (30) days written notice to you This is an ongoing obligation that applies to all salespeople you hire to provide sales services for your Business The salespeople that you send to the Sales Training Program are and will remain, at all times, your employee Our agreement with you to provide sales training to your salespeople is not intended and should not be construed to make such individuals our employees (directly or indirectly, independently or jointly) You will notify your salespeople of that fact that they remain employed by you and not us at all times You retain full authority and obligations in connection with these employees

6 We will collect a monthly Marketing Fund Contribution of up to two percent (2%) of your Gross Sales during each calendar month As of the issuance date of this FDD, the current Marketing Fund Fee is 1% of Gross Sales We will collect your Marketing Development Fund Contribution at the same time we collect your Royalty Fee

7 You are obligated to retain us to provide you with Administrative Support Services for the first six (6) months that your Business operates You will pay us an Administrative Support Fee on a monthly basis during this six (6) month period After the six (6) month anniversary of the opening of your Business, you may, but are not obligated to retain us to provide you with Administrative Support Services We reserve the right to increase the Administrative Support Fee upon thirty (30) days written notice to you Zones are a geographic area having approximately 20,000 addresses More details regarding Zones are provided in Item 12

8 The Production Fee is the amount that you pay to us to produce and distribute your The Inside Coup magazine in your Designated Territory The Production Fee varies based upon the number of pages in your magazine, the number of magazines produced, and the number of magazines distributed We will provide detailed Production Fee information to you in the Operations Manual

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**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	\$39,000-\$90,000	Lump Sum	On signing Franchise Agreement	Us
Initial Development Fee (2)	\$0-\$327,650	Lump Sum	On signing Development Agreement	Us
Grand Opening	\$9,000	\$3,000 per month for 3 months	As incurred	Suppliers and Service Providers
Rent – 3 Months (4)	\$0 to \$900	As arranged	As arranged	Landlord
Leasehold Improvements(5)	\$0-\$2,000	As arranged	As arranged	Contractor
Furniture & Office Equipment (6)	\$0-\$3,000	As arranged	As arranged	Suppliers
Insurance (7)	\$300 to \$600	As arranged	As arranged	Insurance Companies
Professional Fees (8)	\$850 to \$1,450	As arranged	As arranged	Attorney, Accountant
Licenses & Permits (9)	\$0 to \$300	As required	As incurred	Government Agencies
Travel & Lodging While Training (10)	\$1,000 to \$2,500	As arranged	As arranged	Airline, Hotel, Business, etc
Signage (11)	\$0	As arranged	As arranged	Suppliers
Computer System(12)	\$0 to \$1,500	As arranged	As arranged	Suppliers
Administration Support Fee (3 months) (13)	\$507	Monthly	Monthly with royalty payments	Us
Initial Software Licenses (3 months) (14)	\$360	As incurred	Upon license	Third party software companies
Initial Inventory (15)	\$300 to \$600	As arranged	As arranged	Us
Additional Funds – 3 Months (16)	\$9,000 to \$12,000	As arranged	As arranged	Various
Total (16)	\$57,317-\$452,367			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

1 Initial Franchise Fee The initial franchise fee is discussed in detail in Item 5. The initial franchise fee includes our jump-start program, also described in Items 5 and 11.

2 Initial Development Fee At the time that you sign a Franchise Agreement, you may also sign a Development Agreement granting you the right to open and operate additional The Inside Coup Businesses in a defined geographic area. If you sign a Development Agreement, you will pay us an Initial Development Fee based upon the number of Zones included in your Development Area.

3 Grand Opening Expenses. We require you to spend \$3,000 per month for three (3) months beginning no more than thirty (30) days after you complete the training program.

4 **Rent** We expect that you will operate your Franchised Business from your home, but you may wish to lease premises for your Franchised Business. The high end of our estimate assumes you will rent a furnished office with approximately 100 square feet in an executive style suite of offices.

5 **Leasehold Improvements.** You are not required to make any leasehold improvements in connection with the operation of your The Inside Coup Business.

6 **Furniture & Equipment** You will need basic office furniture and equipment for your Business. Our estimate assumes that you have all of the required and/or recommended furniture and equipment. This includes a place to work (a table or desk and a chair) and basic office supplies.

7 **Insurance** The figures in the chart represent the quarterly premium for the insurance we require you to have. In rare cases, you will have to pay the entire annual premium in a lump sum, generally you pay your premiums quarterly or semi-annually. See Item 8 for additional information concerning required insurance coverages.

8 **Professional Fees** We strongly recommend that you hire an accountant and/or an attorney to evaluate and advise you on this franchise offering. Your costs will depend on the accountants and attorneys' fees and how much you use them.

9 **Licenses and Permits** You must obtain all of the licenses and permits required by your state or local agencies to conduct business. We recommend that you verify what licenses and permits you need, and their cost, before you purchase this franchise.

10 **Travel & Lodging While Training** The cost of providing our initial training program to two trainees is included in the initial franchise fee. You must pay for your trainees' travel and living expenses to attend our initial training program in Scottsdale, Arizona, including travel, lodging, meals, and applicable wages. If you wish to send additional people to our initial training program, you must pay our then-current training fee for each additional attendee, and your attendees' room, board, travel expenses, and any applicable wages.

11 **Signage.** There is no signage required to operate your The Inside Coup Business. You are not required to have a storefront or office space with signage.

12 **Computer System.** You will need a basic laptop or tablet for your The Inside Coup Business. If you already own a suitable laptop or tablet, you will not need to purchase a Computer System. If you do not already own a suitable Computer System, you may need to expend up to \$900 to acquire a suitable Computer System. Your Computer System must be able to operate all required software and to communicate with us. Acceptable tablets include Apple iPads, Microsoft Surface Pros, and Galaxy Tab3s.

13 **Administration Support Fee** This amount reflects three (3) months of the Administration Support Fee that we charge to new franchisees. You are obligated to retain us to provide the related services for the first six (6) months of operation of your The Inside Coup Business.

14 **Initial Software Licenses** This amount reflects the initial fees that you must pay to third party software companies to license software required for the operation of your The Inside Coup Business.

15 **Initial Inventory** Our estimate includes your initial supply of stationery and basic office supplies.

16 **Additional Funds** Based upon the previous experience of our affiliates and the current experience of operating franchisees, you will need capital to support ongoing expenses, such as payroll, rent, utilities, and royalty fees, if these costs are not covered by sales revenue for your first three

months of operation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during the first three months or after. Your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

17 **Total.** The Estimates included in Item 7 reflect the estimated investment to open one (1) The Inside Coup Franchised Business (except that it also includes the optional Development Fee payable in connection with the development of multiple units). We relied upon our Operating Affiliate's experience in operating The Inside Coup Businesses since 2011 when preparing these estimates. However, these figures are merely estimates and there is no assurance that additional working capital will not be necessary during this initial phase or after.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

Approved Products and Suppliers

Our reputation and goodwill is based on, and can be maintained only by, the sale of high quality services and products and the presentation, packaging, service and sale of those services, products, and materials in an efficient and appealing manner. We have developed standards and specifications for various services, products, materials, and supplies sold at or used in the operation of our Businesses. You must operate your Business according to these standards. These standards will regulate the types of required materials and supplies to be used in operating your Business, required or authorized equipment, products and services offered to customers and product categories and designated or approved suppliers of these items (which may be limited to or include us).

To maintain the quality of the services that The Inside Coup Businesses sell and our System's reputation, we may condition your right to buy or lease your equipment (including computer hardware and software), signs, inventory items and similar items on their meeting our minimum standards and specifications and/or their being purchased from us, our affiliate or suppliers that we approve. We will formulate and modify standards and specifications based on our affiliates' and our franchisees' experience in operating Businesses. Our standards and specifications may impose minimum requirements for delivery, performance, reputation, prices, quality, design, and appearance. Our Operations Manuals or other communications will identify our standards and specifications and/or names of approved suppliers, if any. We will notify you and, where appropriate, the suppliers. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

Currently our Supply Affiliate is the sole approved supplier for portions of the production of magazine pages for your Business, including graphic design, magazine layout, editing, print, and mailing coordination, and other similar services. You may not use any other supplier for these services. If you use an unauthorized supplier for production services, it is a default of your Franchise Agreement for which we can terminate your Agreement. Our Supply Affiliate reserves the right to earn a profit from providing these services to our franchisees. For the fiscal year ended December 31, 2017, our Supply Affiliate earned \$159,772 from the sale of production services to franchisees.

We negotiate purchasing arrangements with suppliers for the benefit of franchisees, including pricing terms.

You must use our designated supplier of magazine production services. We may permit alternative

suppliers for other others products and services. All requests for approving new or alternative suppliers must be submitted in writing by you and/or the supplier to us. Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then current requirements, which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test must be paid to us either by you or by the proposed supplier. Our criteria for approving suppliers is available to franchisees upon written request to us. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test must be paid to us either by you or by the proposed supplier. If approved, in our sole reasonable discretion, we will notify you and/or the supplier in writing within 60 days of our receipt of an approval request. You must not offer for sale or sell any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke its approval upon the supplier's failure to meet any of our then current minimum standards and specifications. If you receive a written notice of revocation from us, you must stop selling disapproved products and stop purchasing from the disapproved supplier.

Franchisor reserves the right to be the sole supplier for Administrative Support Services although it has not yet exercised that right with its existing franchisees. In 2017, Franchisor collected \$8,408 in Account Management Fees. That is equal to 2.1% of Franchisor's total revenue of \$393,860. Franchisor did not earn any revenue from providing data entry services to franchisees in 2017.

The following officers listed in Item 2 have an ownership interest in our Supply Affiliate: David Sliman. None of our officers has an ownership interest in any other approved supplier.

We are an approved supplier for Administrative Support Services. For the first six (6) months that you operate your Business, we are the sole designated supplier for these services. After the first six (6) months, we are an approved but not designated supplier of Administrative Support Services.

We are the designated supplier of certain office products that you must use in the operation of your The Inside Coup business. The items that you must purchase from us include envelopes, business cards, media kits, media kits folders, postcards, enrollment forms, canvas covers, DAL postcards, additional magazines, and other branded office products. The prices you pay for these items are detailed in the Operations Manual.

We may approve or designate third party suppliers for any product or service you must have or use for your Business.

We reserve the right to receive payments, such as rebates or commissions, from approved suppliers based on their dealings with you and other franchisees, and to use any amounts we receive for any purposes we deem appropriate (unless the supplier instructs us otherwise). We do not currently receive payments from any suppliers as part of a preferred vendor program. For the fiscal year ended December 31, 2017, we did not earn any payments from approved suppliers based on their sales to our franchisees. There currently are no purchasing or distribution cooperatives. We do not provide material benefits (such as renewal or granting additional franchises) to you based on your purchases from designated or approved sources.

We may occasionally conduct market research and testing to determine consumer trends and salability of new products, materials, and services. You must cooperate by participating in our market research programs, test marketing new products, and services and providing reports and other relevant information regarding marketing research. In connection with test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell the products, materials, and services.

Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require and satisfy other insurance-related obligations. Our insurance requirements will be included in the Operations Manual and may be periodically modified by us. You must comply with any modifications we require and make sure that you have obtained all insurance coverages we require.

As of the date of this Disclosure Document, you must have the following insurance: (1) comprehensive general liability insurance, including property casualty coverage, with limits of not less than \$1,000,000/\$2,000,000 per occurrence/aggregate, (2) business automobile liability insurance for both owned and non-owned vehicles, with minimum limits of \$1,000,000 combined single limit, (3) workers' compensation insurance and employer's liability insurance in the amounts required by applicable state law, and (4) any additional coverages that are required by state law, by the terms of your lease (if you choose to lease space), or that we may require.

All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds and must include a waiver of subrogation in favor of all those parties, and must provide us with 30 days' advance written notice of any material modification, cancellation, or expiration of the policy.

You must provide us with a Certificate of Insurance or other proof that you have purchased the insurance required for your Business not later than five days before your Business opens for business. You must also provide us with a Certificate of Insurance or other proof on the renewal of each policy. If you do not obtain the required insurance coverages, we may obtain insurance for you and you must reimburse our costs in obtaining this insurance.

Advertising Materials

Before you may use them, you must send to us for approval samples of all advertising, promotional, and marketing materials that we have not prepared or that we have not approved in the immediately preceding 12 month period. We will have 15 days to review your materials and notify you if they are approved. Unless you receive our specific approval of the proposed materials, they are deemed not approved.

Collectively, the purchases and leases described above are less than 10% of your total purchases and leases to establish the Business, and approximately between 90% and 95% of your total purchases and leases to operate the Business. Actual costs may be higher than estimates.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Article in Franchise Agreement	Article in Development Agreement	Disclosure Document Item
(a) Site selection and acquisition/ lease	Not applicable	Not applicable	Items 7 and 11
(b) Pre-opening purchases/lease	Not applicable	Not applicable	Items 5, 7 and 8

Obligation	Article in Franchise Agreement	Article in Development Agreement	Disclosure Document Item
(c) Site development and other pre- opening requirements	Article 3	Not applicable	Items 7 and 11
(d) Initial and ongoing training	Article 6	Not applicable	Items 6, 7 and 11
(e) Opening	Article 3	Article 3	Item 11
(f) Fees	Articles 2, 4, 5 and 15	Article 2	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/ Operating Manual	Articles 8 and 10	Article 7	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	Articles 9 and 10	Article 8	Items 13 and 14
(i) Restrictions on products/services offered	Articles 1 and 8	Article 8	Items 8 and 16
(j) Warranty and customer service requirements	Article 18	Not applicable	Not Applicable
(k) Territorial development and sales quotas	Article 8	Article 3	Item 12
(l) Ongoing product/ service purchases	Article 8	Not applicable	Item 8
(m) Maintenance, appearance and remodeling requirements	Not applicable	Not applicable	Not applicable
(n) Insurance	Article 11	Not applicable	Items 7 and 8
(o) Advertising	Article 5	Not applicable	Items 6, 7 and 11
(p) Indemnification	Article 19	Not applicable	Item 6
(q) Owner's participation/ management/staffing	Articles 6 and 8	Not applicable	Items 11 and 15
(r) Records and reports	Article 4	Not applicable	Item 6
(s) Inspection and audits	Articles 4, 7 and 8	Not applicable	Item 6
(t) Transfer	Article 15	Article 13	Items 6 and 17
(u) Renewal	Article 2	Not applicable	Items 6 and 17
(v) Post-termination obligations	Article 13	Article 9	Item 17
(w) Non-competition covenants	Article 14	Article 18	Item 17
(x) Dispute resolution	Article 20	Article 18	Item 17
(y) Liquidated damages	Article 13	Not applicable	Item 6

ITEM 10 **FINANCING**

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

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

Except as listed below, The Inside Coup Franchising Company is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Business, we will

- 1 Lend you one copy of the Operations Manual (Franchise Agreement – Section 7 1(c))

- 2 Provide one Sales Training Program to you and your salespeople within the first 90 days of your operations (Franchise Agreement-Section 6 3) This training is described in detail later in this Item
- 3 Determine the boundaries of your Designated Territory (Franchise Agreement – Section 1 1)
- 4 Provide you with the jump-start program (Franchise Agreement – Section 4 1)

Continuing Obligations

During the operation of your Business, we will

- 1 Provide guidance and assistance in the operation of your Business as you may request This guidance may be provided in the form of periodic correspondence, and telephone or written communications, including e-mail, and may cover topics such as products or services to be offered to customers, improvements and developments in your Business, pricing, administration of the Business, and operating problems encountered by you (Franchise Agreement – Section 7 1(b))
- 2 Issue, modify and supplement standards for the System that may regulate any one or more of the following regarding your Business (a) hours of operation, (b) methods of operation, (c) testing, marketing and sale of products and services, (d) instructions on the performance of specific employees' duties, (e) maintenance of equipment, (f) checklists, (g) records preparation and retention, (h) general rules and regulations for employees, and all other matters that in our sole judgment require standardization and uniformity in all Businesses (Franchise Agreement – Section 7 1(d))
- 3 Have our Supply Affiliate provide you with production services for your Business (Franchise Agreement – Section 7 1(e))
- 4 Provide you with up to five days of on-site assistance during your first 90 days of operation, at no additional charge to Franchisee, at mutually convenient times (Franchise Agreement – Section 6 4)
- 5 Designate the minimum and/or maximum prices you may charge for the Services, as permitted by applicable law (Franchise Agreement – Section 7 4) We do not guarantee that you will earn any level of sales or profitability by following our pricing requirements
- 6 Provide you with Administrative Support Services for your Business
- 7 Make commercially reasonable efforts to identify regional and national accounts that may be referred to you or included in your The Inside Coup Magazine

Advertising and Marketing

We will establish and administer a National Marketing Development Fund (the “Marketing Development Fund”) that will include your Marketing Fund Contributions and those of other franchise owners in the System, in accordance with the Franchise Agreement (See Item 6 of this Disclosure Document) The Marketing Fund Contributions, which are a percentage of your monthly Gross Sales (See Exhibit C Franchise Agreement) shall be due and payable with the Royalty Fee (See Exhibit C Franchise Agreement) All The Inside Coup franchisees must contribute to the Marketing Development Fund at the same rate, which is currently 1% of your monthly Gross Sales but may be increased at any time by us, upon thirty (30) days written notice to an amount up to and including two percent (2%) of Gross Sales If an affiliate of ours administers the Marketing Development Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third parties for comparable services For each of our company-owned or affiliated The Inside Coup Business,

we will make contributions to the Marketing Development Fund on the same basis as required of the other The Inside Coup Business owners in the same geographic market. Unless required by applicable law, we will have no obligation to create a trust account, escrow account or other special account for the Marketing Development Fund, and the monies comprising the Marketing Development Fund may be placed in our general account(s) if we desire. We may also reserve portions of the Marketing Development Fund for use in a subsequent year.

The Marketing Development Fund will be used for marketing, advertising, production and media expenses to promote The Inside Coup Business name, System, products, and services. The Marketing Development Fund may be used to pay any and all costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns and other public relations activities, employing advertising agencies to assist in such campaigns or other activities, and providing promotional brochures and other marketing materials to franchise owners. The Marketing Development Fund will not be used to directly solicit the sale of franchises although advertising may include contact information where a person may collect such information.

We are entitled to receive the following from the Marketing Development Fund, reimbursement of our expenses, overhead, and employee salaries for services provided to the Marketing Development Fund, and rent for office space provided to the Marketing Development Fund. Marketing Development Funds not spent in the fiscal year in which they accrue are rolled over to the next fiscal year. The Marketing Development Fund is not audited and the financial statements for the Marketing Development Fund are not available to franchisees.

In 2017, we used the Marketing Development Fund as follows:

- 42% of social media development,
- 12% on communications and public relations,
- and 46% on marketing and brand development

We, or our designee, will direct all advertising programs to be undertaken through the use of the Marketing Development Fund. We will have sole discretion over all creative concepts, materials and media used in such programs and the placement and allocation of such programs. Advertisements generally will be in both print and broadcast media, initially with local coverage. We are not required to use any specific amounts from the Marketing Development Fund in your market. However, we will use all amounts contributed by you to any approved regional Marketing Development Funds, if any, in the same geographic area in which your The Inside Coup Business is located. We may use an outside advertising agency to create and place advertising or we may use our in-house marketing department. The Marketing Development Fund will be used to create new marketing material and promote the products and services offered by The Inside Coup businesses. The Marketing Development Fund will not be used to directly solicit new franchisees. Marketing Development Fund fees collected in a calendar year that are not used in that calendar year will retain those funds for use by the Marketing Development Fund in a subsequent calendar year.

You will be required to list your The Inside Coup Business in all generally available online directories serving the geographical area in which your The Inside Coup Business is located or you must participate in a multiple business listing in the event there is more than one franchise owner in such area. In either case, the online information included with such listing(s) must be approved by us in advance.

In addition to contributions to the Marketing Development Fund, we require that you spend not less than \$500 per month on local advertising. This required local advertising expenditure is because the products

currently offered by The Inside Coup Business are highly competitive, there are many similar businesses and products and local marketing and advertising may be necessary to maximize your particular customer base and draw attention to your The Inside Coup Business

All advertising by you in any medium must be conducted in a professional manner, must conform to the standards and requirements in our Confidential Operations Manual, and must display our Marks only in those forms approved by us. You will submit samples to us (through e-mail, return receipt requested) and obtain our prior approval (except with respect to the cost of the advertising) of all advertising and promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. If you do not receive our written disapproval within 15 days from the date of receipt by us of such materials, we will be deemed to have given the required approval. We may make available to you, from time to time, approved advertising, promotional plans and materials for purchase. You will not be obligated to accept or purchase any such advertising, promotional plans and materials offered to you by us.

You may not maintain a World Wide Web site or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your The Inside Coup Business without our prior written approval.

The Franchisor does not provide assistance with respect to equipment, signs, or fixtures as not equipment, signs, or fixtures are used in the operation of an The Inside Coup Business. Franchisor is the sole supplier of opening inventory and supplies.

We will not prevent the formation of franchisee Cooperatives. Currently, there are no regional or national marketing Cooperatives for The Inside Coup franchisees. We encourage our franchisees to form and operate voluntary franchisee Cooperative regional advertising associations (each a "Cooperative"). If a Cooperative is formed for your region, you must participate in the Cooperative or lose your right to vote as to Cooperative matters. Every franchisee in a Cooperative will have one (1) vote per The Inside Coup Business operated in the Cooperative area. Franchisor owned outlets in the Cooperative will be required to participate and will have one (1) vote per The Inside Coup Business operated in the Cooperative area. The membership of the Cooperative would be defined by us according to your market area and the Cooperative will determine how its money is spent. The Cooperative will administer itself although we may assist and/or require the Cooperative to preserve and/or provide certain records to other members of the Cooperative. Because no Cooperatives exist, there are no governing documents available for review. We will require Cooperatives to provide governing documents, if any, to all franchisees in the Cooperative. We reserve the right at any time, in our sole discretion, to form, change, dissolve, or merge Cooperatives.

Currently, there is no advertising council composed of The Inside Coup franchisees that advises us on advertising policies although we reserve the right to establish such council in our sole discretion.

Local Marketing

You must spend a minimum of \$500 each month on lead generation in your Designated Territory ("Lead Generation Commitment"). There are some methods of marketing, networking and/or hosting events, such as printed media, television and radio, that will reach customers within and outside of your Designated Territory because of the natural circulation of the printed media or the reach of television and radio. You will not be in default of your Franchise Agreement if you use these methods of reaching customers and your marketing efforts are read, heard, or seen by customers outside of your Designated Territory. You may also solicit Regional/National customers outside of your Designated Territory provided that, (i) such customers are promptly uploaded to the Franchisor's customer relations management software, and (ii) the solicitation is for locations or activities in your Designated Territory. Other Franchisees may solicit Regional/National customer in your designated territory provided that (A) such customers are promptly

uploaded to Franchisors CRM software, (B) the solicitation is for locations or activities in that particular franchisees designated territory, and (C) a clearance request is submitted in each instance, on our intranet, for each prospect that is not located in your Designated Territory

All of your local advertising, marketing and promotional materials, including where they will be placed, must be approved by us in advance if we have not created these materials or we have not approved of these materials within the immediately preceding 12 month period. You must submit these materials to us for our review. We will have 15 days to advise you whether the materials are approved. Unless we provide our specific approval of the materials, they are deemed not approved. Any promotional materials that you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

You must include certain language in your local marketing materials, such as "Franchises Available" and our telephone number and website address. If you want to conduct a special promotion within your Designated Territory, the promotion must first be approved by us.

You must participate in all promotional campaigns specified by us. If you wish to conduct a promotional campaign for your Designated Territory, your promotional campaign must be approved by us.

Website and Intranet

We alone may establish, maintain, modify, or discontinue all internet, worldwide web, and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Business a "click through" subpage at our website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Business suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency, and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at The Inside Coup Businesses – also be devoted in part to offering The Inside Coup franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website, otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Business, establish a link to any website we establish at or from any other website or page, or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the name "The Inside Coup" or any name confusingly similar to the Proprietary Marks.

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Business a "click through" subpage at our website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Business suitable for posting on your "click through"

subpage We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage Any websites or other modes of electric commerce that we establish or maintain may, in our discretion, in addition to advertising and promoting the products, programs or services available at The Inside Coup Businesses, also be utilized, in part, for to offering The Inside Coup franchises for sale and to exploit the electronic commerce rights which we alone reserve

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and Systemwide communications (among other activities) can be done You may not maintain your own website, otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Business, establish a link to any website we establish at or from any other website or page, or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the name "The Inside Coup" or any name confusingly similar to the Proprietary Marks

You are permitted to promote your Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, with our prior written consent Your use of any social media must comply with our System standards We may, but are not required to, provide access to branded social media pages We reserve the right to conduct collective/national campaigns via local social media on your behalf We reserve the right to conduct collective/national campaigns via local social media on your behalf

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage

Site Selection and Opening

We anticipate that you will operate your Business from your home and that you will not lease office space for your Business If you choose to lease office space, we will not assist you in locating a site or in negotiating lease terms We will not review any site from which you propose to operate your Business

We estimate that between 90 and 120 days will elapse from the date you sign the Franchise Agreement to the opening of your Business for business Factors that may affect this timeframe include the timing for you to complete initial training and to satisfy your other pre-opening obligations You may not open your Business for business until (1) you have completed the initial training program to our satisfaction, (2) the initial franchise fee and all other amounts due to us have been paid, (3) you have furnished us with all certificates of insurance required by the Franchise Agreement, (4) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Business, and (5) you are in full compliance with all the terms of the Franchise Agreement You must have your Business open and operating and produce your first issue of The Inside Coup magazine for your Designated Territory not later than 90 days after you complete our initial training program If you do not begin operation of your Business within the required timeframe we may terminate your Franchise Agreement

If you sign a Development Agreement, you will have the non-exclusive right to sign franchise agreements for Designated Territories in the Search Territory The Search Territory will be identified on Section 1 of the Development Agreement If you desire to open an Inside Coup Business outside the Search Territory, you will need our written consent

Training Programs

Franchisee Training Program

Before your Business opens, we will provide a mandatory training program in the operation of your Business to you and one additional person (a maximum of two trainees), which must be completed within 30 days after you sign the Franchise Agreement. If you request that we provide our training program to any additional trainees, whether before your Business opens, or while it is operating, you must pay our then-current training fee for each additional trainee. You must also pay for all out-of-pocket expenses you and/or your trainees incur while attending our training program, including travel, lodging, meals, and applicable wages. One of the attendees must be the franchisee or an Operating Principal of a franchise entity.

Approximately five (5) days of training will be conducted at a mutually convenient time at a place we designate near our headquarters in Scottsdale, Arizona and will take place before your Business opens, but not before the Franchise Agreement is signed. If you fail to complete the training program to our satisfaction, we have the right to terminate the Franchise Agreement or we may permit you to re-take our training program at your expense, including payment of our then-current training fee. If we permit you to re-take our training program and you fail to complete such training program to our satisfaction a second time, we may terminate your Franchise Agreement.

There currently are no fixed (such as monthly or bi-monthly) training schedules. Our training program will be held on an as-needed basis depending on number of new franchisees entering the System, franchisee personnel requiring training, and similar factors. We may train more than one franchisee and its personnel at any training session. We also reserve the right to modify our training program based on the individual needs and/or experience of any particular trainee. The materials we use in our training program include our Operations Manual, hand-outs and any other material that we believe will be beneficial to our franchisees in the training process. We project the following training schedule:

TRAINING PROGRAM

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Mission and Vision, Orientation	2	0	Scottsdale, Arizona
Lead Generation	4	0	Scottsdale, Arizona
Sales Training	16	0	Scottsdale, Arizona
Publishing Procedures	4	0	Scottsdale, Arizona
Marketing	2	0	Scottsdale, Arizona
Profitability	4	0	Scottsdale, Arizona
Business Planning	2	4	Your Business Location
Field Lead Generation	3	8	Your Business Location
Sales Process Skills	3	28	Your Business Location
TOTAL	40	40	
	80		

Our instructors include David Sluman and Teri Sullivan. The minimum experience of the instructors in the field that is relevant to the subject taught and our Operating Affiliate's operation is from one to 15 years.

If, while your Business is operating, we determine that you need additional training or assistance, you must pay our then-current per diem fee for each trainer we send to you for each day of additional training or assistance. You must also pay any expenses our trainer incur while providing the additional training or assistance, including travel, lodging, and meals.

In addition to our training program at our headquarters, we will provide you with an additional five (5) days of on-site training and assistance at your Business within your first 90 days of operation as part of our Jump-Start program. Our jump-start program includes four days of on-site training at your Business within your first 90 days of operation, up to 1,500 business contacts, a customer relationship management ("CRM") database we provide to you, one (1) free postcard mailing (up to 1,500 pieces), and your initial supply of business cards. The jump-start program is included in the Initial Franchise Fee and no other fees are payable to Franchisor in connection with this program.

The additional on-site training and assistance will be held at mutually agreeable times.

Sales Training Program

Each of your sales professionals are required to complete our sales training program (the "Sales Training Program") and be certified by us (through passage of a certification test). The Sales Training Program is a five (5) day training program that will be conducted at a place we designate near our headquarters in Scottsdale, Arizona. Franchisee is responsible for the travel expenses, if any, associated with its salespeople attending training in Arizona. We project the following training subject matters will be included in the Sales Training Program:

Client Prospecting	Advertisement Options and Designs
CRM Management	Pricing
Market Understanding and Development	Closing Deals
Mapping	Paperwork
Marketing	Management

Each of your sales professionals will be tested on the subjects provided during the Sales Training Program. Our instructors for the Sales Training Program are David Sliman and Teri Sullivan. Mr. Sliman has 20 years' experience in sales and sales training related to direct mail businesses. Ms. Sullivan has 25 years' experience in sales and sales training.

In addition to our Franchisee Training Program, Sales Training Program, and any additional training we may require you to have, we may provide periodic refresher training programs, and we may designate that attendance at any refresher training program is mandatory. If conducted, these programs will be for various lengths of time and at various locations selected by us. We may also offer an annual meeting of our franchisees and we may designate that your attendance at the franchisee meeting is mandatory. We may choose to combine these to present one event that includes a meeting with a training session. While we do not anticipate charging a fee for any refresher training or franchisee meeting, you must pay for all costs incurred by you and any other attendees at any training sessions and/or meetings, including travel, lodging, meals, and applicable wages. If we do charge a fee for refresher training or meetings, we may charge you that fee regardless of whether you attend the training or meeting.

Computer System

You must have a computer system for your Business, including a personal computer or laptop and a tablet. If you wish to use an existing computer system for your Franchised Business, the computer system must meet our minimum technical specifications, as described in our Operations Manual, must be approved by

us, and meet the following requirements and functions: scheduling, word processing, spreadsheets, e-mail communication, internet access, customer relationship management database, bookkeeping, invoicing, and storage of electronic files. We expect that the initial cost of this computer system will be between \$0 and \$900.

You are not required to have a maintenance contract for your computer system, although you may find it beneficial to do so.

You must have a high speed internet connection at all times for your computer system. We reserve the right to require that your computer system have the connectivity hardware and software to permit us to electronically access your computer system. Although we do not currently do so, we reserve the right to access your computer system at any time during the term of the Franchise Agreement, and you must allow us this access when we request it. If we elect to have electronic access to your computer system, we will have the right to download data from your computer system relevant to your Business, including reports, client files, employee information and contact files, and we may use this data in any manner we wish, including in a franchise disclosure document, without compensation to you. There are no contractual limits on our ability to access your computer system.

We may require you to update and/or upgrade your computer system, including hardware and software, during the term of your Franchise Agreement. There are no limitations in the Franchise Agreement on either our right to require you to obtain updated and/or upgrades, or the cost of the updates and/or upgrades. We also have the right to require you to replace your computer system entirely. Neither we nor any of our affiliates, will provide you with any maintenance, updates, or upgrades for your computer system. There are no contractual limits on the frequency or cost of updating, upgrading and/or maintaining required computer systems, hardware, and software.

Confidential Operations Manual

The table of contents for our Confidential Operations Manual is attached to this Disclosure Document as Exhibit H. Our Confidential Operations Manual includes approximately 187 pages.

ITEM 12 TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate your Business only within the territory ("Designated Territory") granted to you. Your Designated Territory may be described in terms of contiguous zip codes, county, or other geographical boundaries, or may be depicted on a map attached to your Franchise Agreement. Your Designated Territory will include at least three "Zones," with each Zone having approximately 20,000 addresses.

There are minimum sales goals, market penetration or other requirements ("Sales Requirements") that you must meet to maintain your rights in the Designated Territory. The Sales Requirements are based upon "Zone" development over a two (2) to four (4) year period. The Sales Requirements are on a per "Zone" basis. Your Sales Requirements will be identified Exhibit 1 to the Franchise Agreement.

If you fail to meet the Sales Requirements two or more times within any 12 month period, you will have 60 days to re-take and pass (to our satisfaction) our Initial Training Program and achieve the minimum requirements. If you fail to meet the Sales Requirements three (3) times within any 12-month period, we may terminate your Franchise Agreement.

You may not relocate your Designated Territory without our prior written consent

During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right (1) to establish and operate, and grant rights to other franchise owners to establish and operate, The Inside Coup Businesses or similar businesses at any locations anywhere outside your Designated Territory and on any terms and conditions we deem appropriate, (2) to sell any other products and services that may be identical or similar to, or dissimilar from, those your Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including mail order and the Internet) outside of your Designated Territory, (3) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Business (and/or franchise or license those businesses), some or all of which might be located anywhere, including within your Designated Territory, but these businesses will not operate using the Proprietary Marks, (4) to be acquired (regardless of the form of transaction) by a business identical or similar to The Inside Coup Businesses, even if the other business operates, franchises and/or licenses competitive businesses near your Business or in your Designated Territory, and (5) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere

We may solicit, offer, and sell services under the Proprietary Marks to National Accounts that have operations in your Designated Territory. If a National Account publishes an advertisement in one or more of your The Inside Coup magazines, you will pay us, in addition to Royalty Fee, a Referral Fee (See Item 6) equal to ten percent (10%) of the Gross Revenue generated by you from that National Account.

We are not required to pay you a fee or compensate you in connection with the soliciting of National Accounts in your Designated Territory.

You may solicit, offer, and sell services under the Proprietary Marks to National Accounts. If a National Account publishes an advertisement in one or more The Inside Coup magazines operated by other franchisees, those franchisees will be obligated to pay you a Cross-Selling Fee (See Item 6). Other franchisees may solicit, offer, and sell services under the Proprietary Marks to National Accounts. If a National Account obtained by a different Franchisee (the "Cross-Selling Franchisee") publishes an advertisement in one or more of your The Inside Coup magazines, you will be obligated to pay the Cross-Sales Franchisee a Cross-Selling Fee (See Item 6).

You may solicit Regional/National customers outside of your Designated Territory provided that, (i) such customers are promptly uploaded to the Franchisor's customer relations management software, and (ii) the solicitation is for locations or activities in your designated territory. Other Franchisees may solicit Regional/National customer in your designated territory provided that (A) such customers are promptly uploaded to Franchisor's CRM software, (B) the solicitation is for locations or activities in that particular franchisees designated territory, and (C) a clearance request is submitted in each instance, on our intranet, for each prospect that is not located in your Designated Territory. Franchisee solicitations may result in the placement of advertisements in The Inside Coup magazine of multiple franchisees, which will result in the payment of cross-sales fees between franchisees.

If you sign a Development Agreement, you will have the non-exclusive right to sign franchise agreements for Designated Territories in the Search Territory. The Search Territory will be identified on Section 1 of the Development Agreement. If you desire to open an Inside Coup Business outside the Search Territory, you will need our written consent.

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 control.

You may sell the products and services authorized by us to customers within your Designated Territory. You may not engage in any promotional activities or sell our products and services or similar products or services, whether directly or indirectly, through or on the Internet or any other similar proprietary or common carrier electronic delivery system, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. You may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory. You may also solicit Regional/National customers outside of your Designated Territory provided that, (i) such customers are promptly uploaded to the Franchisor's customer relations management software, and (ii) the solicitation is for locations or activities in your Designated Territory. Other Franchisees may solicit Regional/National customer in your designated territory provided that (A) such customers are promptly uploaded to Franchisor's CRM software, (B) the solicitation is for locations or activities in that particular franchisees designated territory, and (C) a clearance request is submitted in each instance, on our intranet, for each prospect that is not located in your Designated Territory.

If a prospective franchisee wishes to purchase an area that is contiguous to your Designated Territory, we will first offer you the right to purchase the area. We will provide you with written notice of the opportunity together with our then-current Disclosure Document. If you wish to exercise the right of first refusal and purchase the area, you must sign a Franchise Agreement for the new area and pay the then-current initial franchise fee no later than fifteen (15) days after the notice and Disclosure Document are provided to you. If you do not sign the Franchise Agreement and pay the initial franchise fee within this period, then you will no longer have a right to the area and we will be free to sell the area to the prospective franchisee.

We and our affiliates may offer and sell services under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated The Inside Coup Business, including sales through channels of distribution such as the Internet, catalog sales, or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Designated Territory. If we receive any leads from a prospective customer through our website, the lead will be forwarded to the appropriate The Inside Coup Business.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Businesses that sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant to you the right to use certain trademarks, service marks, and other commercial symbols in connection with the operation of your franchise. Our President, David Sluman, has registered the following Proprietary Marks on the Principal Register of the United States Patent and

Trademark Office ("USPTO") Mr. Sliman intends to file all affidavits and other required documents to maintain his interests in and to the Proprietary Marks

Mark	Serial Number	Registration Date	Renewal Date	Registration Number
The Inside Coup (word mark)	85/411,090	5/1/2012	June 27, 2017	4,135,136

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks, which may be relevant to their use in this state or in any other state

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks, except for the perpetual trademark license agreement between us and Mr. Sliman dated April 23, 2015. Mr. Sliman may only terminate the license agreement upon Franchisor's default of the license agreement and our failure to timely cure said default. Mr. Sliman will enter into a direct license agreement with franchisees authorizing them to use the Proprietary Marks upon the termination of the license agreement.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We may defend you against any third party claim, suit or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You may not use any Proprietary Mark as part of your corporate name. You may not use any Proprietary Mark in any manner on the internet unless the use has been pre-approved by us. You may not establish a separate website using the Proprietary Mark.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. We will have no obligation or liability to reimburse you for any expenses you incur in complying with any changed or substituted Proprietary Mark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not have an ownership interest in any patents or copyrights that are material to the franchise. You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary and confidential information that is in the Operations Manual. The Operations Manual is described in Item 11 and below. Although we have not filed an application for copyright registration of the Operations Manual, we claim a copyright and the information in it is proprietary and confidential. You must promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

Confidential Operations Manual

You must operate your Business according to the standards, methods, policies and procedures we specify in the Operations Manual or otherwise in writing. One copy of the Confidential Operations Manual will be loaned to you by us. We may provide the Operations Manual to you electronically, such as by CD ROM or via a password-protected website.

You must treat any manual used in the operation of your Business and the information in it as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person.

We may revise our standards, methods, policies and procedures, and you must comply with each new or changed standard, method, policy or procedure. If there is a dispute regarding the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during the review of this Franchise Disclosure Document, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. You may divulge this confidential information only to those of your employees who need access to it to operate your Business. All information, knowledge, know-how, techniques and other data that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. The term "confidential information" includes our System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Franchised Businesses, the terms of your Agreement with us, the Operations Manual, graphic designs and other intellectual property, your client list and your subscriber list.

At our request, you must have your personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

If you, your owners, or employees develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and give us all necessary information, free of charge. You, your owners, and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

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

If you are an individual, you must participate in the daily operation of your Franchised Business. If you are a corporate entity (such as a corporation or limited liability company), then one of your owners must devote full time and best efforts to the management and operation of the Franchised Business. If you own multiple Businesses or you have received our consent, you may have a manager for your Business. The manager must complete our initial training program to our satisfaction and must otherwise meet our minimum criteria. We do not require that your manager have an ownership interest in your Business. You must also maintain a competent, conscientious, trained staff.

Your manager, if any, and other key employees we designate must sign an agreement not to compete with businesses under the System while employed by you and for two years after their employment ends, and an agreement not to reveal confidential information obtained while employed by you. We will be a third party beneficiary of each of these agreements with the independent right to enforce each agreement's terms.

You must operate the Franchised Business in strict conformity with all applicable Federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and you must adhere to them and to the then-current implementation or interpretation of them.

If you are a corporate entity, such as a corporation, partnership or limited liability company, the owners of the entity must sign the personal guaranty, which is an exhibit to the Franchise Agreement under which each person guarantees the franchisee's performance under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must not use or permit the use of the Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards and specifications we may require in the Operations Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent.

You must sell or offer for sale only those products and Services that we have approved for sale in writing; you must sell or offer for sale all types of services specified by us; you may not change our standards and specifications without our prior written consent, and you must stop selling and offering for sale any services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized products and Services and there are no limits on our right to make changes.

The System may be periodically supplemented, improved or modified by us. You must comply with all of our changes, including offering and selling new or different products or services as specified by us.

You are restricted by the Franchise Agreement, the Operations Manual and any other practice or custom with respect to the Services that you may offer, which must be approved by us. You are not restricted as to the customers whom you may solicit or service, except as described in Item 12.

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	Article in Franchise Agreement	Article in Development Agreement	Summary
a Length of the franchise term	Article 2		Ten (10) years
b Renewal or extension of the term	Article 2	Not Applicable	Up to three additional terms of ten (10) years each
c Requirements for franchisee to renew or extend	Article 2		You provide notice, you are in compliance with your Franchise Agreement, you sign new Franchise Agreement and release, you are in compliance with the minimum sales requirements, and you pay renewal fee You may be asked to sign a contract with materially different terms and conditions than your original contract, except the boundaries of your territory will not change, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d Termination by franchisee	Not Applicable		You may seek to terminate your Franchise Agreement on any grounds permitted by law
e Termination by franchisor without cause	Not Applicable	Not Applicable	
f Termination by franchisor with cause	Article 12	Section 9	We may terminate the Franchise Agreement for cause if you breach the Franchise Agreement and do not cure the breach (if the breach is curable) In addition, a default under the Franchise Agreement with us may result in a termination of the Development Agreement and vice versa. This is known as a cross-default provision.
g "Cause" defined – curable defaults	Article 12	Section 9	Failure to submit reports when due, failure to pay amounts owed, use the System or Proprietary Marks outside the Designated Territory, sell products or Services outside the Designated Territory, sell unauthorized products or services, violation of applicable law, suspension of required license, failure to comply with the System, failure to meet minimum sales

Provision	Article in Franchise Agreement	Article in Development Agreement	Summary
			requirements
h "Cause" defined – non-curable defaults	Article 12	Section 9	Breach of Franchise Agreement and other grounds, such as filing for bankruptcy, assignment for the benefit of creditors, moral turpitude, conviction of a felony or other crime that may have an adverse effect on the System or Marks, failure to comply with Anti-Terrorism Laws, termination of any other agreement with us, unauthorized transfer, failure to complete initial training, failure to open Business when required, third failure to meet minimum sales requirements in any 12 month period, repeated defaults, disclosure of confidential information, loss of required license, repeated customer complaints, abandonment of Business. In addition, a default under one agreement with us may result in a termination of all of your other agreements with us. This is known as a cross-default provision.
i Franchisee's obligations on termination/non-renewal	Article 13	Not Applicable	Obligations include complete de-identification, payment of amounts due to us and our Supply Affiliate, return Operations Manual to us, cancel assumed name, transfer telephone numbers and website listings to us, comply with post-termination non-competition covenants
j Assignment of contract by franchisor	Article 15	Section 13	There is no restriction on our right to transfer
k "Transfer" by franchisee – defined	Article 15	Section 13(a)	Includes a transfer of all or substantially all of the assets of your Business
l Franchisor approval of transfer by franchisee	Article 15	Section 13(a)	We have the right to approve transfers
m Conditions for franchisor approval of transfer	Article 15	Section 13(a)	Includes payment of money owed, you are not in default, sign release, transferee qualifies, transferee signs new franchise agreement, transferee completes training, and payment of the Transfer Fee
n Franchisor's right of first refusal to acquire franchisee's business	Article 15	Same as Franchise Agreement	We can match any offer
o Franchisor's option to purchase franchisee's	Article 15	Same as Franchise	Upon expiration or termination, we can buy all or a portion of the assets of your

Provision	Article in Franchise Agreement	Article in Development Agreement	Summary
business		Agreement	Franchised Business
p Death or disability of franchisee	Article 15	Same as Franchise Agreement	Franchise must be assigned to approved buyer within 12 months
q Non-competition covenants during the term of the franchise	Article 14	Same as Franchise Agreement	Includes prohibition on owning, operating or participating in a business which sells similar products and services
r Non-competition covenants after the franchise is terminated or expires	Article 14	Not Same as Franchise Agreement	Includes prohibition on owning or operating business which sells similar services for three years and located within the Designated Territory, a 5-mile radius of the outer boundaries of the Designated Territory, within the Designated Territory of any other The Inside Coup business then in operation or for which a franchise agreement has been executed, and within 5 miles of the Designated Territory of any other The Inside Coup business then in operation or for which a franchise agreement has been executed on the later of (i) the date of the termination or expiration of this Agreement, or (ii) the date on which all persons restricted by Section 14 begin to comply with Section 14
s Modification of the agreement	Article 22	Section 14	Must be in writing by both parties
t Integration/merger clause	Article 22	Section 15	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and amendments
u Dispute resolution by arbitration or mediation	Article 20	Section 18	Mediation and arbitration in Maricopa County, Arizona (subject to applicable state and federal law)
v Choice of forum	Article 20	Section 18	Maricopa County, Arizona (subject to applicable state law)
w Choice of law	Article 20	Section 18	Arizona (subject to applicable state law)

ITEM 18
PUBLIC FIGURES.

No public figure is involved in the franchise sales process

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS.

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

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**UNAUDITED STATEMENT OF REVENUE, EXPENSES AND GROSS PROFIT INCLUDING REVENUE PER PAGE AND EXPENSES PER PAGE
RECOGNIZED BY FOUR (4) THE INSIDE COUP FRANCHISEES BETWEEN JANUARY 1, 2018 AND DECEMBER 31, 2018**

West Valley-Metropolitan Phoenix (2 franchises-8 Zones)

Franchises and Zones		Pages Sold	Production Cost	5% Royalty	1% Marketing	Total Cost	Magazine Revenue	Postcard Revenue	Total Sales Revenue	Miscellaneous Expenses	Gross Profit	Profit %	Avg. Revenue Per Page
AZ01 AZ03	AZPHX10	2104	\$615,400	\$38,647.24	\$7,804.60	\$661,851.84	\$745,478.75	\$62,000	\$785,990.49	\$21,488.26	\$106,649.39	4%	\$350.82
	AZPHX11												
	AZPHX12												
	AZPHX17												
	AZPHX18												

Tucson, Arizona (1 franchise-3 Zones)

Franchises and Zones		Pages Sold	Production Cost	5% Royalty	1% Marketing	Total Cost	Magazine Revenue	Postcard Revenue	Total Sales Revenue	Miscellaneous Expenses	Gross Profit	Profit %	Avg. Revenue Per Page
AZ02	AZTUC01	716	\$232,500	\$13,132.84	\$2,626.57	\$248,259.41	\$276,884.84	\$9,100	\$281,769.85	\$8,772.97	\$24,737.47	6%	\$386.91
	AZTUC02												
	AZTUC03												

East Valley-Metropolitan Phoenix (1 franchise-12 Zones)

Franchises and Zones		Pages Sold	Production Cost	5% Royalty	1% Marketing	Total Cost	Magazine Revenue	Postcard Revenue	Total Sales Revenue	Miscellaneous Expenses	Gross Profit	Profit %	Avg. Revenue Per Page
AZ04	AZPHX01	4232	\$1,291,290	\$91,426	\$18,473.09	\$1,396,109.09	\$1,591,178.48	\$272,716	\$1,850,965.60	\$14,316.98	\$487,452.66	26%	\$376.87
	AZPHX02												
	AZPHX03												
	AZPHX04												
	AZPHX05												
	AZPHX07												
	AZPHX08												
	AZPHX14												
	AZPHX15												
	AZPHX16												
	AZPHX20												
	AZPHX21												

Suburban Detroit, Michigan (1 franchise-3 Zones)

Franchises and Zones		Pages Sold	Production Cost	5% Royalty	1% Marketing	Total Cost	Magazine Revenue	Postcard Revenue	Total Sales Revenue	Miscellaneous Expenses	Gross Profit	Profit %	Avg. Revenue Per Page
MI01	MIDETO1	508	\$170,600	\$9,520	\$1,904.06	\$182,324.36	\$188,206	\$5,364.38	\$192,570.38	\$2,118.02	\$10,246.02	1.26%	\$366.90
	MIDETO2												
	MIDETO3												

1 As of December 31, 2018, there were zero (0) company owned The Inside Coup company owned businesses and sixteen (16) open The Inside Coup Franchised Businesses. However, only four (4) Franchised Businesses were open for all of 2018. This financial performance representation reflects the four (4) Franchised Businesses that were open for all of 2018. This Item 19 does not include 5 The Inside Coup Franchised Businesses that had signed franchise agreements prior to January 1, 2018 but did not operate for all of 2018.

2 The four (4) Franchised Businesses listed operated 26 Zones. Each franchisee Zone is identified in the charts above. The Zones identified above are approximately the same size (20,000 mailing addresses) as the Zones being sold pursuant to the Disclosure Document.

3 The term "Gross Profit" is calculated by subtracting fixed costs (production, Detached Address Label ("DAL") production, shipping, and Royalties (which may vary from month to month but are a fixed monthly obligation)) from total revenue recognized from The Inside Coup Business during the applicable time period. It does not account for the payment of employee salaries, commissions, and related business expenses, which will vary from market to market, and which franchisees will control. These are historical results.

4 Miscellaneous Expenses includes Administrative and Support Fees, Set Up Design Fees, Call Tracking Phone Number fees, and QuickBooks expenses that franchisees paid to us.

5 "Average Revenue PP" is calculated by dividing the Total Revenue by the number of pages in that particular The Inside Coup Magazine.

6 The characteristics of The Inside Coup businesses identified in this Item 19 are different than newly opened businesses. Many factors, including location, management capabilities, local market conditions, and other factors, are unique to each The Inside Coup business and may significantly impact your financial performance.

7 Four (4) Inside Coup franchisees have achieved the Gross Profit detailed in this financial performance representation. Your individual results may differ. There is no assurance that you will sell as much or that your expenses will be equal to or less than those incurred at this The Inside Coup Business.

8 These sales, expenses, gross profit and average revenue and expenses are based upon reported sales and revenue from four (4) franchisees operating 26 Zones.

9 You are responsible for developing your own business plan for your The Inside Coup Business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances and location. We encourage you to consult with your own accounting, business, and legal advisors in forming your business plan and projections.

10 All records used in making the Financial Performance Representations above are on file and a matter of record. Written substantiation of the data presented in this financial performance representation will be made available upon reasonable request.

11 **Some franchises have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much**

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial

performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, 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 David Sloman at 5111 North Scottsdale Road, Suite 260, Scottsdale Arizona 85250 and 602 595 6550, the federal trade commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1 Systemwide Outlet Summary
For years ended 2016, 2017, 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	1	3	+2
	2017	3	9	+6
	2018	9	15	+6
Company- Owned*	2016	4	5	1
	2017	5	0	-5
	2018	0	0	0
Total Outlets	2016	5	8	+3
	2017	8	9	+1
	2018	9	16	+7

* The Company-Owned Outlets in the above chart are owned and operated by our Operating Affiliate

Table No 2
**Transfers of Outlets from Franchisees to New Owners (other than the
Franchisor) for years ended 2016, 2017, 2018**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2016	0
	2017	2
	2018	0
Texas	2016	0
	2017	0
	2018	1
Total	2016	0
	2017	2
	2018	1

Table No 3
Status of Franchised Outlets For years ended 2016, 2017, 2018

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year(3)	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewal s	Column 7 Reacquired by Franchisor or its Affiliates	Column 8 Ceased Operations -Other Reason	Column 9 Outlets at End of Year(4)
AZ	2016	1	1	0	0	0	0	2
	2017	2	4	0	0	0	0	6
	2018	6	1	0	0	0	0	7
CA	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	3	0	0	0	0	3

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year(3)	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewal s	Column 7 Reacquired by Franchisor or its Affiliates	Column 8 Ceased Operations -Other Reason	Column 9 Outlets at End of Year(4)
FL	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
MI	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	1	0	1
OH	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
TX	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	2	1	0	1	0	3
Total	2016	2	1	0	0	0	0	3
	2017	3	6	0	0	0	0	9
	2018	9	7	1	0	1	0	16

Table No 4
Status of Company-Owned Outlets For years ended 2016, 2017, 2018

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Arizona	2016	3	1	0	0	0	4
	2017	4	1	0	0	5	5
	2018	0	0	0	0	0	0
Total	2016	4	1	0	0	0	5
	2017	5	1	0	0	5	0
	2018	0	0	0	0	0	0

Table No 5
Projected Openings as of December 31, 2018

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Arizona	0	5	0
California	0	2	0

A list of the names of all franchisees and the addresses and telephone numbers of their businesses are provided in Exhibit E to this Disclosure Document

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure

document are listed on Exhibit E to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with The Inside Coup System.

There are no trademark-specific organizations formed by franchisees that are associated with The Inside Coup System.

ITEM 21
FINANCIAL STATEMENTS.

Attached to this Disclosure Document as Exhibit F is our audited Financial Statements for the Franchisor (i) for the year ended December 31, 2016, (ii) for the year ended December 31, 2017, (iii) for the year ended December 31, 2018.

ITEM 22
CONTRACTS.

The following contracts are attached to this Disclosure Document in the following order:

- Franchise Agreement with Exhibits – Exhibit C
- Development Agreement with Exhibits – Exhibit D
- Form of General Release – Exhibit I

ITEM 23
RECEIPTS.

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, The Inside Coup Franchising Company has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which The Inside Coup Franchising Company has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

<u>ARIZONA</u> David Sliman 5111 N. Scottsdale Rd. Suite 260 Scottsdale, AZ 85250	<u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent Banking Commissioner
<u>CALIFORNIA</u> California Business Oversight Commissioner Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<u>HAWAII</u> (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	<u>MARYLAND</u> (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360

<u>INDIANA</u> (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	<u>MINNESOTA</u> (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1500 (for service of process) Minnesota Commissioner of Commerce
<u>MICHIGAN</u> (state administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117 (for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P O Box 30054 Lansing, Michigan 48909	<u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712 (for service of process) North Dakota Securities Commissioner
<u>NEW YORK</u> (Administrator) NYS Department of Law Investor Protection Bureau 28 Library St. 21st FL New York, New York 10005 (212) 416-8236 (Agent for service of process) Attention NY Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492	<u>RHODE ISLAND</u> Securities Division Department of Business Regulation, Bldg 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582
<u>OREGON</u> Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733

<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 605-773-3563	<u>WISCONSIN</u> (state administrator) Division of Securities Department of Financial Institutions 201 W Washington Ave., 3rd Floor Madison, Wisconsin 53703 (608) 266-1064 (for service of process) Administrator, Division of Securities Department of Financial Institutions 201 W Washington Ave., 3rd Floor Madison, Wisconsin 53703
<u>WASHINGTON</u> (state administrator) Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, Washington 98501 (360) 902-8760 (for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S W Tumwater, Washington 98501	

EXHIBIT B TO THE DISCLOSURE DOCUMENT
MULTI-STATE ADDENDUM TO DISCLOSURE DOCUMENT

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

- 1 California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
- 2 The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
- 3 The Franchise Agreement contains covenants not to compete that extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
- 4 Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
- 5 Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
- 6 The Franchise Agreement requires binding arbitration. The arbitration will occur in Maricopa County, Arizona with the costs being borne by equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- 7 The Franchise Agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.
- 8 You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
- 9 THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
- 10 The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- 11 OUR WEBSITE (WWW.THEINSIDECOUP.COM) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov

12 Item 5 of the Disclosure Document and Section 4.1 of the Franchise Agreement are amended to state Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1 The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement

2 Illinois law governs the Franchise Agreement

3 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987, which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4 Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law." The appropriate sections of the Franchise Agreement are amended accordingly.

5 Item 17(g) of the Disclosure Document and Article 12 of the Franchise Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

6 FRANCHISOR MAY SOLICIT, OFFER, AND SELL SERVICES TO "NATIONAL ACCOUNTS" THAT HAVE OPERATIONS IN YOUR TERRITORY. IF A NATIONAL ACCOUNT PUBLISHES AN AD IN YOUR MAGAZINE, YOU MUST PAY FRANCHISOR A ROYALTY FEE AND A REFERRAL FEE EQUAL TO 10% OF THE GROSS REVENUES GENERATED BY THAT NATIONAL ACCOUNT AD IN YOUR MAGAZINE.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1 To be added to Item 3 of the Disclosure Document, is the following statement: There are presently no arbitration proceedings to which the Franchisor is a party.

2 Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2-7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3 Item 17 is amended to state that this is subject to Indiana Code 23-2-2-7-1 (10).

4 Under Indiana Code 23-2-2-7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 20 of the Franchise Agreement.

- 5 Under Indiana Code 23-2-2 7-1 (10), franchisee may not agree to waive any claims or rights

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for The Inside Coup Franchising Company's Franchise Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1 Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2 Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

4 Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement that provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

DISCLOSURE 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 a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel that deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement. Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

1 Item 13 of the Disclosure Document and Article 9 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein.

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use ”

2 Item 17 of the Disclosure Document and Articles 2, 12 and 15 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein.

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec 80C 14, Subds 3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld ”

3 Item 17 of the Disclosure Document and Article 20 of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections

“Minn. Stat Sec 80C 21 and Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4 Item 17 of the Disclosure Document and Articles 2 and 15 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein.

“Minn. Rule 2860 4400D prohibits us from requiring you to assent to a general release ”

5 Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself

1 The following information is added to the cover page of the Franchise Disclosure Document
INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE
ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF
INFORMATION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT
MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN
THIS FRANCHISE DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE

FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005 THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT

2 The following is added to 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 THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document and Franchise Agreement effectively amends and revises said documents as follows

1 Item 17(c) of the Disclosure Document and Articles 2 and 15 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release

2 Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law Item 17(r) of the Disclosure Document and Article 14 of the Franchise Agreement are amended accordingly

3 Item 6 and Item 17(i) of the Disclosure Document and Article 13 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19- 09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota

4 Item 17(u) of the Disclosure Document and Article 20 of the Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties

5 Item 17(v) of the Disclosure Document and the provisions of Article 20 of the Franchise Agreement that require jurisdiction of courts in Maricopa County, Arizona are deleted

6 Item 17(w) of the Disclosure Document and Article 20 of the Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota

7 Apart from civil liability as set forth in Section 51-19-12 N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself.

Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Inside Coup Franchising Company for use in the Commonwealth of Virginia shall be amended as follows:

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

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

The following language is added to Item 5 of the Franchise Disclosure Document for residents of the State of Washington or franchises to be located in the State of Washington:

As a condition of registration in the State of Washington, payment of initial franchise fees will be deferred until franchisor has met all of its pre-opening obligations to franchisee and franchisee has commenced doing business under the marks. This financial assurance requirement was imposed by the Washington

Department of Financial Institutions due to franchisor's current financial condition.

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 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

EXHIBIT C TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

TABLE OF CONTENTS

ARTICLE 1 GRANT OF FRANCHISE	2
1 1 Grant	2
1 2 Location, Relocation	2
1 4 Limitations on Sale	2
1 5 Rights Reserved to Us	3
1 6 Your Right of First Refusal	3
ARTICLE 2 TERM AND RENEWAL	4
2 1 Initial Term	4
2 2 Renewal	4
2 3 Failure to Renew	4
2 4 Refusal to Renew Franchise Agreement	4
2 5 Renewal Under Law	5
ARTICLE 3 BUSINESS DEVELOPMENT AND OPENING	5
3 1 Pre-Opening Purchases	5
3 2 Opening for Business	5
ARTICLE 4 FEES AND REPORTING	5
4 1 Initial Franchise Fee, Jump-Start Program.	5
4 2 Royalty Fee	6
4 3 Late Payments	6
4 4 Application of Payments	7
4 5 Bookkeeping, Accounting and Records	7
4 6 Reports and Tax Returns	7
4 7 Our Access to Books and Records	8
4 8 Audited Statements	8
4 9 Information from Others	8
4 10 Inspection.	8
4 11 Audit	8
ARTICLE 5 MARKETING AND PROMOTION	9
5 1 Lead Generation.	9
5 2 Promotional Campaigns	9
5 3 Website, Social Media	Error! Bookmark not defined.
ARTICLE 6 TRAINING AND TECHNICAL ASSISTANCE	10
6 1 Managerial Responsibility	10
6 2 Initial Training Program.	11
6 3 Additional On-Site Assistance or Training	11
6 4 Ongoing/Refresher Training and Franchisee Meetings	12
6 5 Hiring and Training of Your Employees	12
6 6 Operating Assistance	12
ARTICLE 7 OUR DUTIES	12
7 1 Our Duties	12
7 2 Services	13
7 3 System Maintenance	13
7 4 Pricing	13
ARTICLE 8 YOUR DUTIES	14
8 1 Compliance with Standards and Specifications	14
8 2 Maintenance of Premises and Equipment	14
8 3 Sale of Approved Products and Services, Prohibited Products and Services	14
8 4 Approved Suppliers	14
8 5 Compliance with Applicable Laws	15
8 6 Business Management, No Employment Interference	15

8 7	Payments to Us or Our Affiliates	15
8 8	Training Requirements	16
8 9	Promotions	16
8 10	Minimum Sales Requirements	16
	ARTICLE 9 PROPRIETARY MARKS	16
9 1	Proprietary Marks	16
9 2	License of Proprietary Marks	16
9 3	Ownership of Proprietary Marks	17
9 4	Use of Proprietary Marks	17
9 5	Approval of Items Using Proprietary Marks	17
9 6	Cessation of Use after Expiration, Termination or Non-Renewal	17
9 8	Notification of Infringement	17
9 9	Our Right to Defend	17
9 10	You May Use Only Designated Proprietary Marks	17
9 11	Inspection	18
9 12	Copyright and Trademark Symbols	18
9 13	No Right to Deny Use of Proprietary Marks	18
9 14	Avoidance of Conflict	18
9 15	Indemnification	18
9 16	Limited License, Modification or Substitution of Proprietary Marks	18
9 17	Name Registrations	18
	ARTICLE 10 OPERATIONS MANUAL AND CONFIDENTIALITY	19
10 1	Confidential Operations Manual	19
10 2	Confidentiality	19
10 3	Customer Database and Subscriber List	20
10 4	Return of Confidential Operations Manual	20
	ARTICLE 11 INSURANCE	20
	ARTICLE 12 TERMINATION	21
12 1	Automatic Termination – No Opportunity to Cure	21
12 2	Termination Upon Notice – No Opportunity to Cure	21
12 3	Termination Upon Notice - Opportunity to Cure	23
12 4	Cross-Defaults	23
12 5	Our Right to Discontinue Services to You	24
12 6	Amendment Pursuant to Applicable Law	24
	ARTICLE 13 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION	24
13 1	Payment of Amounts Owed to Us and Other Creditors	24
13 2	Return of Confidential Operations Manual and Retention of Records	24
13 3	Cancellation of Assumed Names, Transfer of Phone Numbers and Website Listings	24
13 4	Signs and Appearance of the Business	25
13 5	Continuing Obligations	25
13 6	Our Right to Repurchase	25
13 7	Liquidated Damages	25
	ARTICLE 14 COVENANTS	26
14 1	Confidential Information	26
14 2	Restrictions	26
14 3	Restricted Period	27
14 4	Geographical Restrictions	27
14 5	Period of Non-Compliance	27
	ARTICLE 15 ASSIGNMENT, TRANSFER AND SALE	28
15 1	By Franchisor	28
15 2	By Franchisee	28
15 3	Effect of Consent to Transfer	29

15 4	Assignment to Corporate Entity	29
15 5	Transfer Among Franchisees	30
15 6	Our Right of First Refusal	30
15 7	Temporary Operation of Business by Us	30
15 8	Death or Incapacity	31
	ARTICLE 16 PARTNERSHIP AND CORPORATE FRANCHISEES	31
	ARTICLE 17 TAXES, PERMITS AND INDEBTEDNESS	32
17 1	Responsibility for Taxes	32
17 2	Compliance with Laws	32
17 3	Notice of Litigation	32
	ARTICLE 18 CUSTOMER RELATIONS	32
18 1	Cooperation	32
18 2	Customer Complaints	32
	ARTICLE 19 RELATIONSHIP AND INDEMNIFICATION	32
19 1	Independent Parties	32
19 2	Non-Liability	33
19 3	Indemnification by Us	33
19 4	Indemnification by You	33
	ARTICLE 20 DISPUTE RESOLUTION	33
20 1	Mediation and Arbitration	33
20 2	Litigation, Waiver of Jury Trial, Limitation of Damages, etc	34
20 3	Prior Notice of Claims by You	34
20 4	Periods In Which to Make Claims	34
20 5	Withholding Consent	35
20 6	Survival and Construction	35
20 7	Costs and Legal Fees	35
20 8	Validity and Execution	36
20 9	Binding Effect	36
20 10	Construction	36
20 11	Choice of Laws	36
	ARTICLE 21 GENERAL	36
21 1	Joint and Several	36
21 2	Rights Cumulative	36
21 3	Entire Agreement and Amendments	36
21 4	Non-Waiver	37
21 5	Invalid Provisions, Substitution of Valid Provisions	37
21 6	Time of Essence	37
21 7	Gender	37
21 8	Notices	37
21 9	Impossibility of Performance	38
21 10	Further Assurances	38
21 11	Enforcement, Injunctive Relief	38
21 12	Changes and Modifications to the System	39
21 13	Compliance with Anti-Terrorism Laws	39
21 14	Step-In Rights	39
	ARTICLE 22 YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS	40

EXHIBITS

Exhibit 1	Franchisee Specific Information
Exhibit 2	Authorization Agreement for Electronic Funds Transfer
Exhibit 3	Internet Web Sites and Listings Agreements
Exhibit 4	Telephone Listing Agreement
Exhibit 5	Guaranty and Assumption of Obligations
Exhibit 6	Confidentiality and Non-Competition Agreement
Exhibit 7	State Specific Addenda to Franchise Agreement

**THE INSIDE COUP FRANCHISING COMPANY
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into on this ___ day of _____, 20___, between The Inside Coup Franchising Company, an Arizona corporation with its principal office 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250 ("we", "us" or "our" and "Franchisor"), and _____ with a principal address at _____ ("Franchisee" or "you" or "your")

RECITALS

WHEREAS, we have developed a system of uniform standards, methods, procedures, specifications, merchandising and advertising (hereinafter referred to as the "System") for the operation of businesses (hereinafter referred to as a "Business" or "Franchised Business") which produce a monthly direct mail magazine. The products and services offered by Franchised Businesses are approved from time to time by us ("Approved Products and Services"), all under the trade name, trademark and service mark of "The Inside Coup®", together with all other trade names, trademarks and service marks as may be hereafter designated as a part of the System and not thereafter withdrawn, and which we may hereafter acquire or develop for use with the System (collectively, the "Marks" or "Proprietary Marks"), and

WHEREAS, you wish to obtain the right and license from us for the use of our System and Proprietary Marks, and in association therewith to own and operate a Business within the Designated Territory identified on Exhibit 1 hereto, and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks, and

WHEREAS, we have the sole and exclusive right to the goodwill associated with the System and the Proprietary Marks and are willing to grant the right and license to you, on the terms and conditions herein contained, to use the System and the Proprietary Marks, and

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Marks within the Designated Territory, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Business, and

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all Businesses and to protect the goodwill of the Proprietary Marks, and

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied upon any such warranty or guarantee, and

WHEREAS, you acknowledge that you have no knowledge of any representations by us, our officers, directors, shareholders or representatives about the franchise offered hereunder, about us or our franchising programs and policies that are contrary to the statements in our Franchise Disclosure Document or to the terms of this Agreement, and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management methods, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL

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

ARTICLE 1

GRANT OF FRANCHISE

1.1 Grant. Subject to the terms, conditions and limitations elsewhere in this Agreement, we hereby grant to you a non-transferable, non-exclusive right and license to use the System, the Proprietary Marks and to market, sell and provide the Approved Products and Services in accordance with the System within the exclusive Designated Territory described on Exhibit 1 hereto ("Designated Territory"). The Designated Territory shall include three (3) separate Zones (as defined below), to be developed as described in Section 8.10 below. The Approved Products and Services are the only products and services authorized to be offered and sold at or from the Business.

1.2 Location, Relocation. The right and license granted in Section 1.1 hereof shall be restricted solely and exclusively to use within the Designated Territory. During the term of this Agreement, the Business shall be used exclusively for the purposes permitted by this Agreement. You may not relocate your Business, provided, however, that if you operate your Business from a home office and you then sell your home and move outside of your Designated Territory, we reserve the right to require you to lease office space within your Designated Territory from which to operate your Business.

1.3 Non-Exclusivity

(a) The franchise and license granted to you by this Agreement are non-exclusive and we shall have, at all times throughout the term of this Agreement and any renewals hereof, outside of your Designated Territory, the unqualified right to open and operate, or to franchise and license others to open and operate, businesses utilizing the System.

(b) You must satisfy certain minimum sales goals, market penetration, and other sales and development goals to maintain your rights in your Designated Territory (the "Sales Requirements"). Your Sales Requirements are set forth in Exhibit 1 to this Agreement.

1.4 Limitations on Sale.

(a) This license does not include any right to offer any service at wholesale or the right to offer or sell any or provide any service at or from any location except within the Designated Territory. Your use, directly or indirectly, of the System, the Proprietary Marks licensed hereunder, the servicing of Business customers outside of the Designated Territory, except for the exceptions described below, shall be a material breach of this Agreement and shall give us, in addition to all other rights and remedies hereunder, the right to terminate this Agreement.

(b) You shall not engage in any promotional activities or sell services that are similar to the services you are authorized to sell hereunder, whether directly or indirectly, through the internet, the

World Wide Web, or any other similar proprietary or common carrier electronic delivery system, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. You may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory. You may also solicit Regional/National customers outside of your Designated Territory provided that, (i) such customers are promptly uploaded to the Franchisor's customer relations management software, and (ii) the solicitation is for locations or activities in your Designated Territory. Other Franchisees may solicit Regional/National customer in your designated territory provided that (A) such customers are promptly uploaded to Franchisor's CRM software, (B) the solicitation is for locations or activities in that particular franchisees designated territory, and (C) a clearance request is submitted in each instance, on our intranet, for each prospect that is not located in your Designated Territory.

1.5 Rights Reserved to Us We reserve the right to establish or operate, or license any other franchisee to establish or operate, a Business under the System at any location. We (and any affiliates that we periodically might have) reserve the right

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Businesses or similar businesses at any locations anywhere outside your Designated Territory and on any terms and conditions we deem appropriate,

(b) to sell the Approved Products and Services and any other products and services that may be identical or similar to, or dissimilar from, those your Business sells, whether identified by the Proprietary Mark or other trademarks or service marks through any distribution channels we think best (including mail order and the Internet), outside of your Designated Territory,

(c) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Business (and/or franchise or license those businesses), some or all of which might be located anywhere, including within your Designated Territory, but these businesses will not operate using the Proprietary Marks,

(d) to be acquired (regardless of the form of transaction) by a business identical or similar to The Inside Coup Business, even if the other business operates, franchises and/or licenses competitive businesses near your Business or in your Designated Territory, but these businesses will not operate using the Proprietary Marks,

(e) to solicit, offer, and sell services under the Proprietary Marks to National Accounts that have operations in your Designated Territory. A "National Account" is a client or potential client with offices and activities in more than one Designated Territory, and

1.6 Your Right of First Offer If a prospective franchisee wishes to purchase an area that is contiguous to your Designated Territory, we will first offer you the right to purchase the area. We will provide you with written notice of the opportunity together with our then-current Franchise Disclosure Document ("FDD"). If you wish to exercise the right of first refusal and purchase the area, you must sign a Franchise Agreement for the new area and pay the then-current initial franchise fee no later than fifteen (15) days after the notice and FDD are provided to you. If you do not sign the Franchise Agreement and pay the initial franchise fee within this period, then you will no longer have a right to the area and we will be free to sell the area to the prospective franchisee.

ARTICLE 2
TERM AND RENEWAL

2 1 Initial Term. This Agreement, unless terminated earlier as hereinafter provided, shall remain in force for a term of ten (10) years commencing on the date of this Agreement ("Initial Term")

2 2 Renewal. Subject to the provisions of this Section 2 2, you shall have an option (exercisable only by written notice delivered to us not less than three (3) months prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder for up to three (3) additional ten (10) year periods, if the following conditions are met

(a) you have been throughout the Initial Term of this Agreement in substantial compliance, and at the expiration of the Initial Term you are in full compliance, with this Agreement and any other agreements between you and us or companies associated or affiliated with us, including, but not limited to, the Sales Requirements described in Section 8 10 below and Exhibit 1 to this Agreement,

(b) you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Business franchises (all of which will contain terms substantially the same as those herein contained, except with respect to fees to be paid to us, which fees shall be the same as those Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay an additional Initial Franchise Fee),

(c) at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months,

(d) you execute a general release running in favor of us, our officers, directors and shareholders releasing all claims against us, our affiliates and our respective officers, directors and shareholders, and

(e) you pay us a renewal fee equal to One Dollar (\$1)

2 3 Failure to Renew For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents, together with the renewal fee, required by us for a renewal within thirty (30) days after we have delivered them to you

2 4 Refusal to Renew Franchise Agreement We can refuse to renew your franchise under certain circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure any defaults incurred during the initial term of this Agreement, if applicable

2.5 Renewal Under Law Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

ARTICLE 3 **BUSINESS DEVELOPMENT AND OPENING**

3.1 Pre-Opening Purchases You shall purchase or lease such equipment, including computer-related equipment and computer software, as are required and which strictly conform to the appearance, uniform standards, and specifications of us or the System existing from time to time.

3.2 Opening for Business. You shall open the Business for business and produce your first issue of The Inside Coup Magazine for your Designated Territory not later than ninety (90) days after the date you complete our initial training program to our satisfaction. In no event shall the Business be opened for business until

- (a) the initial training program has been completed to our satisfaction by all required persons,
- (b) the Initial Franchise Fee and all other amounts due to us have been paid,
- (c) you have furnished us with all Certificates of Insurance required by Article 11 herein,
- (d) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of the Business, and
- (e) you are in full compliance with all the terms of this Agreement.

ARTICLE 4 **FEES AND REPORTING**

4.1 Initial Franchise Fee, Jump-Start Program. In consideration of the grant of this license, you shall pay to us a non-recurring initial franchise fee (the "Initial Franchise Fee") payable in a lump sum upon execution of this Agreement. The amount of the Initial Franchise Fee will depend upon the number of zones ("Zones") that you purchase. The minimum Initial Franchise Fee is \$39,000 and includes three (3) Zones.

Number of Zones	Per Zone Fee	Initial Franchise Fee	Approximate Number of Addresses
3	\$13,000	\$39,000	60,000
4-8	\$11,000	\$44,000-\$88,000	80,000-160,000
9+	\$10,000	\$90,000+	180,000+

The Initial Franchise Fee is fully earned by us upon execution of this Agreement and is not refundable under any circumstances. The Initial Franchise Fee includes, among other things, the jump-start program that we provide to you. Our jump-start program includes five (5) days of on-site training at your Business within your first 90 days of operation, up to 1,500 business contacts, a customer relationship management

("CRM") database we provide to you, one (1) free postcard mailing (up to 1,500 pieces), and your initial supply of business cards, white folders, envelopes, and media kits

4.2 Royalty Fee. In further consideration of the grant of this license, you shall pay to us each month during the term of the Agreement a non-refundable royalty fee ("Royalty Fee") equal to five percent (5%) of Gross Sales. All Royalty Fees and other fees payable hereunder shall be made by electronic funds transfer or automatic debit of funds, or by another method determined by us in our sole discretion, and are payable not later than two (2) days after our affiliate provides you with your client's invoices

(a) As used herein, "Gross Sales" shall include all revenue received by you (including actual deposits in your bank accounts as well as undeposited cash receipts) from, through, by or on account of the operation of your Franchised Business, whether received in cash, in services or in kind, less (i) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers and paid to taxing authorities, and (ii) the amount of any documented refunds, credits and allowances given in good faith to customers by you

(b) If we elect to require payment by electronic funds transfer, you shall sign and deliver to us any documents required to authorize us to debit your bank account automatically for the Royalty Fee and other amounts due under this Agreement. You agree to make the funds available for withdrawal by electronic transfer before each due date

(c) If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you

4.3 Corporate Referral Fees. If a National Account referred to you by Franchisor publishes an advertisement in one or more of your The Inside Coup magazines, you will pay Franchisor, in addition to Royalty Fees, a referral fee equal to ten percent (10%) of the Gross Sales generated by the referred National Account (the "Corporate Referral Fee"). We will account for and deduct Corporate Referral Fees to your account on a monthly basis at the same time and in the same manner as Royalty Fees. A "National Account" is a client or potential client, with offices and/or activities in more than one Designated Territory that Franchisor or our affiliates secure as a client

4.4 Cross-Sales Fees. Cross-Sale Fees are payable to you and other franchisees that receive revenue from the placement of advertisements in their Inside Coup magazine territory that were sold by you or a different franchisee. The amount of Cross-Sales Fees payable will vary depending upon the ad page option, size, and volume of advertisements placed in the applicable magazine. If you make a cross sale into another franchisee's magazine, you are responsible to collect from the client and pay the applicable set up fees, change fees, Cross-Sales Fee, and royalty fees for that account. The receiving franchise is responsible for the production costs associated with the advertisements. Cross-Sales Fees are payable by ACH Transfer to the receiving franchisee. We have no obligation to pay Cross-Sales Fees, and you hereby release us from liability for the payment of Cross-Sales Fees if we do not collect such fees from the franchisee obligated to pay them to you

4.5 Administration Support Fees. We will provide administrative support services ("Administration Support Services") to you including customer billing, reconciliation, preparation of business related reports, and data entry services in exchange for an Administration Support Fee. The Administration Support Fee will vary depending upon the number of Administration Support Services that we provide to you. As of the Effective Date, the Administration Support Fee is between \$99 and \$169. We may increase the Administration Support Fee upon thirty (30) days written notice to you. You must use us for Administration Support Services and pay the Administration Support Fee that we designate for the first six months of your Franchised Business's operation. After six (6) months, the Administration Support Services and Administration Support Fees are optional

4 6 Marketing Fund Fees. Franchisee must contribute up to two percent (2%) of Gross Sales per each calendar month or portion thereof during the term of this Agreement ("**Marketing Fund Contribution**") to an Marketing Fund that Franchisor administers ("**Marketing Fund**") The current Marketing Fund Contribution is one percent (1%) of Gross Sales Marketing Fund Contributions are paid at the same time and in the same manner as Royalty Fees Franchisee agrees and acknowledges that Marketing Fund Contributions may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds and may be deemed an asset of Franchisor Franchisor will administratively segregate the Marketing Fund on its books and records Franchisor will use the Marketing Fund for the purpose of promoting the System as a whole and increasing the goodwill associated with the Marks Franchisor will conduct such advertising and marketing of the System and its services as Franchisor deems desirable to promote and enhance the reputation of the System and the Marks Franchisee understands, acknowledges and agrees that all decisions regarding advertising and marketing, including without limitation the type, quantity, timing, placement and choice of media, market areas and advertising agencies shall be made by Franchisor, and shall be final and binding Franchisee agrees and acknowledges that all costs of the formulation, development and production of any advertising and promotion (including without limitation the proportional compensation of Franchisor's employees who devote time and render services in connection with such advertising and promotional programs and the administration, accounting and collection of the Marketing Fund Contributions) will be paid from the Marketing Fund Franchisor does not have any obligation to make expenditures that are proportional or equivalent to Franchisee's Marketing Fund Contributions in Franchisee's market area, nor does Franchisor represent that Franchisee will benefit directly or pro rata from the placement of advertising

4 7 Late Payments To encourage prompt and timely payment of Royalty Fees, Marketing Fund Contributions, and other amounts payable to us, and to cover the costs and expenses involved in handling and processing any payments not received by their due dates, you shall also pay, upon demand, a late payment charge in an amount equal to the lesser of (a) one and one-half percent (1 5%) per month, or (b) the highest rate permitted by law Such charge shall accrue from the date payment was due until the date payment is actually received by us Notwithstanding the foregoing, each failure to pay Royalty Fees, Marketing Fund Contributions, or other payments payable to us when due will be a material breach of this Agreement Notwithstanding our right to collect interest on overdue amounts from you, we shall also have the right to suspend production and/or mailing of your magazine(s) until all payments you owe to us are made in full

4 8 Application of Payments. We shall have sole discretion to apply any payments received from you to any past due indebtedness of yours for Royalty Fees, Marketing Fund Contributions, purchases made from or other fees owed to us or our affiliates, late payment charges or any other indebtedness of you to us or our affiliates

4 9 Bookkeeping, Accounting and Records You shall use a bookkeeping, accounting, and record-keeping system for the Business that is approved by us, and you shall retain all invoices, order forms, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursements journals showing cash in and out of the Business, and general ledgers You shall keep such original documents at the Business throughout the term of this Agreement, and for at least five (5) years thereafter, at a location of which we shall be kept advised, unless we give written permission to dispose of such records

4 10 Reports and Tax Returns. You shall furnish to us throughout the term of this Agreement, in the form from time to time prescribed by us

(a) within thirty (30) days after the documents referred to in Section 4 7 hereof are filed, an exact copy of all returns, schedules and reports filed by you for income, corporate or sales tax purposes,

(b) within ninety (90) days after the end of each fiscal year, an unaudited balance sheet, statement of profit and loss and source and application of funds from the beginning of that fiscal year, prepared by an independent chartered accountant and verified by your statutory declaration as to the information furnished to such accountant, and

(c) such other reports, statements, sales slips, order forms, records, calculations and indices as we may, from time to time, require

4.11 Our Access to Books and Records Notwithstanding the above, we shall have the right to communicate directly with your computer system and to poll the same on a daily or weekly basis, as determined by us from time to time. You shall be required to maintain a wireless broadband internet connection at all times during the term of this Agreement. You shall also take all required steps and install all required hardware and/or software to allow us to electronically access your computer system. You understand and acknowledge that (a) there are no limitations on our right to access your system, (b) there are no limitations on the information we may download or otherwise retrieve from your system, and (c) we may use any information downloaded or retrieved from your system in any manner we choose, without compensation to you.

4.12 Audited Statements If we, in our sole discretion, determine that any report, financial statement, tax return or schedule furnished by you understates the Gross Sales of the Franchised Business, distorts any other information or is incomplete, unclear or misleading, we shall have the right to require you to furnish audited annual financial statements for that year at your sole cost and expense, with such statements being prepared in accordance with generally accepted accounting principles consistently applied.

4.13 Information from Others. You hereby authorize us to make reasonable inquiries of your bank, credit reporting agencies, suppliers and trade creditors concerning the Business and you hereby direct such persons and companies to provide to us such information as we may request.

4.14 Inspection. We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to enter and inspect all aspects of the operation of the Business together with all records, books of account, tax returns and other documents and materials in your possession or under your control relating to the Business, you and the subject matter and terms of this Agreement, including, without limitation, all records of yours required to be maintained pursuant to applicable law, to ascertain that you are operating the Business in accordance with the System and the terms of this Agreement. We or our representatives or agents shall be allowed to make extracts from or copies of any such material without any liability to us. In the event that we give notice to you of any deficiency detected during such inspection, you shall diligently correct such deficiency as soon as possible, but in any event within five (5) days after receipt of such notice. If you fail to correct such deficiency within such five (5) day period, we shall have the right (but not the obligation) to correct such deficiency on your behalf and at your sole expense, and in such case you shall reimburse us for all costs incurred by us (including, without limitation, a reasonable charge for the time of any of our personnel) in connection therewith.

4.15 Audit.

(a) We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to inspect, copy, request, receive and/or audit or cause to be inspected, copied, requested, received and/or audited the business records, bookkeeping and accounting records, sales, reports, financial statements and tax returns that you are required to submit to us hereunder along with your books and records and those of any corporate entity to which you have assigned this Agreement in accordance with Section 15.4 hereof. If we should determine that an audit is necessary during the term of the franchise, you will, upon notice, deliver to us all required records and documents and fully

cooperate with our representatives conducting any such audit. We reserve the right to audit during normal business hours, and without prior notice to you, to inspect, copy, request, receive and/or audit or cause to be inspected, copied, requested, received and/or audited the business records, bookkeeping and accounting records, sales, reports, financial statements and tax returns that you are required to submit to us hereunder for any similar businesses that you operate at your expense. In the event that any such audit should disclose an understatement of Gross Sales or any amount owed to us, you shall pay, within fifteen days after receipt of the audit report, any understated amount plus interest as described in Section 4.5.

(b) In the event any audit is made necessary by your failure to furnish reports, financial statements, or schedules as herein required, or if an understatement of Gross Sales is determined by any audit to be two percent (2%) or greater, you shall (a) pay any understated amount, together with interest thereon as described in Section 4.3, and (b) reimburse us for the cost of such audit, including, without limitation, the charges of any independent accountants, legal fees, and travel expenses, room, board and compensation of their employees or representatives. The foregoing remedies are in addition to all other rights and remedies we may have under this Agreement or under applicable law, including but not limited to termination of this Agreement.

ARTICLE 5

MARKETING AND PROMOTION

5.1 Grand Opening. You must expend no less than \$3,000 per month on marketing, promotions, and lead generation for three (3) months beginning 30 days after you complete our initial training program. We may require you to submit receipts confirming that you have spent the required amount on the Grand Opening of your The Inside Coup Business. If you fail to spend the minimum amount on your Grand Opening, we may, among other remedies available to us, require you to spend additional amounts of money on lead generation or require you to contribute the amount you should have spent on your Grand Opening to the Marketing Fund.

5.2 Lead Generation.

(a) You agree to conduct lead generation efforts within your Designated Territory, and you agree to spend the amount that we specify, from time to time on lead generation (the "Lead Generation Commitment"). You and we agree that the Lead Generation Commitment will be \$500 per month.

(b) All local advertising, marketing and promotional materials, including where they will be placed, must be approved by us in advance if we have not created these materials or we have not approved of these materials within the immediately preceding twelve (12) month period. You must submit these materials to us for our review. We will have fifteen (15) days to advise you whether the materials are approved. Unless we provide our specific approval of the materials, they are deemed not approved. Any promotional materials that you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

(c) We may require you to include certain language in your local marketing materials, such as "Franchises Available" and our telephone number and website address.

5.3 Promotional Campaigns. You must participate in all promotional campaigns specified by us. If you wish to conduct a promotional campaign for your Designated Territory, your promotional campaign must be approved by us, in the manner described in Section 5.1 above.

5.4 Website, Social Media

(a) We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System -We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Business a "click through" subpage at our website for the promotion of your Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Business suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

(b) Any websites or other modes of electric commerce that we establish or maintain may, in our discretion, in addition to advertising and promoting the products, programs or services available at The Inside Coup Businesses, also be utilized, in part, for offering The Inside Coup franchises for sale and to exploit the electronic commerce rights which we alone reserve.

(c) In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and Systemwide communications (among other activities) can be done. You may not maintain your own website, otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Business, establish a link to any website we establish at or from any other website or page, or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the name "The Inside Coup" or any name confusingly similar to the Proprietary Marks.

(d) You are permitted to promote your Business or use any of the Proprietary Marks on approved social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, with our prior written consent. Your use of any social media must comply with our System standards. We may, but are not required to, provide access to branded social media pages. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

(e) We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

ARTICLE 6

TRAINING AND TECHNICAL ASSISTANCE

6.1 Managerial Responsibility It is agreed that at all times during the term of this Agreement, either you, one of your owners (the "Operating Principal"), or a fully trained manager, approved by us (the "manager(s)"), shall

(a) devote full time, attention and effort to the active management and operation of the Business,

(b) irrespective of any delegation of authority, not inconsistent with clause (a), reserve and exercise ultimate authority and responsibility with respect to the management and operation of the Business, and

(c) represent you and act on your behalf in all dealings with us.

If two (2) or more individuals are named in this Section 6.1, each of them shall fulfill the requirements of clause (a) and both or all of them shall jointly fulfill the requirements of clauses (b) and

(c) Notwithstanding the foregoing, if you are an individual, you must participate in the daily operation of your Franchised Business unless we have consented to your employing a manager. If you are a corporate entity (such as a corporation or limited liability company), then your Operating Principal must devote full time and best efforts to the management and operation of the Franchised Business.

6.2 Initial Training Program

(a) Before your Business is opened for business, we shall make available to you and one (1) additional person, for a maximum of two (2) trainees, a training program (the "Initial Training Program") that you must successfully complete prior to the opening of the Business. One of the trainees must be you, or if you are an entity, one of the trainees must be your Operating Principal. The Initial Training Program will be held at our headquarters or at such other place as may be specified by us. We shall provide, without charge to you, our training program for two (2) trainees at no additional charge, but you must pay all expenses incurred by you and your trainees related to our initial training program, including, but not limited to, travel, lodging, meals and applicable wages. If we determine that you cannot or have not completed the Initial Training Program to our satisfaction, we may terminate this Agreement pursuant to Section 12.1 hereof or we may permit you to re-take our Initial Training Program at your expense, including payment of our then-current training fee. If we permit you to re-take our Initial Training Program and you fail to complete such Initial Training Program to our satisfaction a second time, we may terminate this Agreement.

(b) If you request that we provide our Initial Training Program to other trainees, either before your Business opens or while it is operating, you agree to pay our then-current training fee for each additional trainee in addition to the trainee's expenses, including travel, lodging, meals and applicable wages.

6.3 Sales Training Program Sales techniques and strategies for direct mail magazines are unique. We possess knowledge regarding such techniques and strategies that are important for the success of your The Inside Coup Business. To assist you in the development of your Business, we require each person you employ to sell advertising space in your The Inside Coup magazine to attend and satisfactorily complete our Sales Training Program prior to selling advertising space in your The Inside Coup magazine (unless we waive this requirement or provide you with a different deadline for your employees to complete this training program). The subjects and requirements of the Sales Training Program are included in our Confidential Operations Manual. One Sales Training Program is included with your Initial Franchise Fee. If we are required to conduct additional Sales Training Programs, you will pay us a Sales Training Program Fee per attendee. The Sales Training Program Fee is currently \$200 per sales professional per Sales Training Program. We reserve the right to increase the Sales Training Program Fee at any time upon thirty (30) days written notice to you. This is an ongoing obligation that applies to all sales professionals you hire to provide sales services for your Business. The salespeople that you send to the Sales Training Program are and will remain, at all times, your employee. Our agreement with you to provide sales training to your salespeople is not intended and should not be construed to make such individuals our employees (directly or indirectly, independently or jointly). You will notify your salespeople of that fact that they remain employed by you and not us at all times. You retain full authority and obligations in connection with these employees.

6.4 Additional On-Site Assistance or Training

(a) In addition to our training program at our headquarters, we will provide you with an additional five (5) days of on-site training and assistance at your Business within your first ninety (90) days of operation as part of our jump-start program. The additional on-site training and assistance will be held at mutually agreeable times.

(b) If we determine that you require additional training, and subject to the availability of our personnel, we will also provide you with additional assistance or training on-site at your Business. You must pay our then-current per diem fee for each of our representatives providing the additional assistance or training for each day such assistance or training continues. The current additional on-site training fee is \$200 per attendee per day. You must also reimburse Franchisor for all expenses for travel, lodging and meals incurred by our representatives.

6.5 Ongoing/Refresher Training and Franchisee Meetings In addition to our training program and any additional training you may request, we may provide periodic refresher training programs, and we may designate that attendance at any refresher training program is mandatory. If conducted, these programs will be for various lengths of time and at various locations selected by us. We may also offer an annual meeting of our franchisees and we may designate that your attendance at the franchisee meeting is mandatory. We may choose to combine these to present one event that includes a meeting with a training session. While we do not anticipate charging a fee for any refresher training or franchisee meeting, you must pay for all costs incurred by you and any other attendees at any training sessions and/or meetings, including travel, lodging, meals and applicable wages.

6.6 Hiring and Training of Your Employees You shall hire and train, at your expense, except as may be set forth in Section 6.2 and 6.3, all employees of the Business, and shall be exclusively responsible for the terms of their employment and compensation. You shall not employ anyone who refuses or fails to complete the initial training program. You shall at all times maintain a sufficient number of trained employees to service your customers, and we reserve the right to specify a minimum number of employees for your Business.

6.7 Operating Assistance. We shall make available to you such operating assistance and training on a continuing basis as we consider appropriate and which may consist of advice and guidance with respect to

(a) methods and procedures for the offer, sale and provision of the Approved Products and Services,

(b) such additional services as we may approve, from time to time, to be used or offered for sale by franchisees,

(c) formulating and implementing advertising and promotional programs using such merchandising, marketing and advertising research data and advice as may, from time to time, be developed by us and deemed by us to be helpful in the operation of the Business,

(d) the establishment and implementation of administrative and general operating procedures for the proper operation of the Business, and

(e) the operation, cleanliness and efficiency of the Business.

ARTICLE 7

OUR DUTIES

7.1 Our Duties During the term of this Agreement, we shall, at our expense, offer to you the following:

(a) an initial training program in System standards, specifications, methods and techniques as provided for in Section 6.2 hereof,

(b) a Sales Training Program in direct mail sales techniques and strategies,

(c) upon your request such periodic continuing individual or group advice, consultation, and assistance, rendered in person, by periodic correspondence (electronic or otherwise), or by periodic telephone or written communications made available from time to time to all franchisees of the System, as we may deem necessary or appropriate to assist you in conforming to the requirements of the System. Such continuing advice may include, but not be limited to, such topics as services to be offered to customers, improvements and developments in operating a Business, and administrative procedures,

(d) subject to Section 10.1 hereof, to lend to you one (1) copy of the Confidential Operations Manual and one (1) copy of any other manuals designated for use with the System, as well as such additions and modifications thereto as we may, in our sole discretion, issue from time to time. We reserve the right to provide the Confidential Operations Manual electronically, such as by CD ROM or a password protected Website,

(e) new, modified or supplemented standards for the System that, in our sole discretion, are beneficial or necessary to maintain the uniformity and goodwill of the System utilized by all franchisees,

(f) during the first six (6) months of the operation of your Business, we will provide you with Administrative Support Services. For purposes of this Agreement, the term "Administrative Support Services" shall mean customer billing, reconciliation, data entry, and preparation of business related reports,

(g) have our affiliate provide you with production services for The Inside Coup magazine you will produce for your Designated Territory

7.2 Services Upon request and at your expense, we shall offer to you, during the term of this Agreement, any of the following services which we are then offering to other franchisees and on the same terms and conditions

(a) on-site assistance by a person employed or retained by us at mutually convenient times, and

(b) periodic supplemental training, as set forth in Sections 6.3 and 6.4 hereof

7.3 System Maintenance. We shall continue our efforts to maintain uniform standards of quality, cleanliness, appearance and service at all Businesses in the System, to promote, protect and enhance the public image and reputation of the System, and to increase the demand for the services offered by all System franchisees and to that end we shall

(a) review all materials prepared by you for use in local marketing and promotion pursuant to Section 5.1 hereof; and

(b) conduct periodic inspections of the products and services provided to the public by your Business

7.4 Pricing We may advise you in writing, from time to time and as permitted by applicable law, concerning the minimum and/or maximum prices that you should charge your customers for Approved Products and Services provided or sold under the System. Any such advice, if given at all, will be binding on you and you agree to comply with our pricing guidelines. Nothing contained herein shall be deemed a representation by us that if you follow such guidelines you will, in fact, generate or optimize profits. You are obligated to inform us of all prices charged for services and products sold by you and to inform us of any modifications of your prices

ARTICLE 8

YOUR DUTIES

In order to maintain the high quality and uniform standards associated with the System and the Proprietary Marks, and to promote and protect the goodwill associated therewith, you shall perform the following duties

8.1 Compliance with Standards and Specifications.

(a) You shall at all times comply strictly, and cause the Business to comply strictly, with all of our standards, specifications, processes, procedures, requirements and reasonable instructions regarding the operation of the Business, whether they now exist or are hereafter established from time to time. You shall adopt as a standard for performance and operation of your Business our standards and conform to all specifications relating to equipment, professional attire, signs, displays and other identifying materials, uniform record keeping practices, days and hours of operation and such other matters as may be in any administrative bulletins, and other confidential manuals or materials developed by us, or otherwise, as any of same may be modified from time to time by us. To insure the conformance and compliance by you with our standards of performance, you will permit us, our officers, employees and designated representatives to enter your Business at any time and from time to time, and to accompany you and/or your employees on sales calls, to conduct an inspection to ascertain whether or not the uniform standards are being met.

(b) All of your employees must be clean, neat and professional. Mandatory specifications, standards, and operating procedures prescribed from time to time by us, or otherwise communicated to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement" include all such mandatory specifications, standards and operating procedures.

8.2 Maintenance of Premises and Equipment. You shall at all times keep and maintain the premises and equipment for the Business in good repair and maximum working condition. If at any time during the Initial Term or any renewal thereof any of the equipment becomes obsolete or depreciated, then to the extent that they require replacement in accordance with our standards, you will replace the same with items required by our then-current standards and specifications.

8.3 Sale of Approved Products and Services, Prohibited Products and Services. Our reputation and goodwill is based upon, and can be maintained and enhanced only by the use of, the provision of high quality Approved Products and Services. You agree, therefore, that you will only offer such Approved Products and Services that we shall authorize for the Business. You further agree that you will not sell your customer list(s) or customer contracts, or otherwise use your customer list(s) for any purpose other than in connection with the operation of your Business.

8.4 Approved Suppliers. You shall adhere to our minimum quality standards and specifications for all facets of the Business, including supplies, advertising and sales promotion materials and other materials used in the operation of a Business. Such standards and specifications have been established by us for uniformity, quality control and to protect, maintain and foster its reputation, goodwill and public acceptance. All such information regarding standards and specifications shall be provided to you in writing or otherwise through a Confidential Operations Manual. The Confidential Operations Manual is incorporated in this Agreement by reference and you will comply with all provisions therein. All such standards and specifications may be modified at any time by us. We will provide you with a list of and specifications for the equipment and supplies that are consistent with the standard Business, as well as identification of any approved suppliers for such equipment and supplies. These lists are subject to change from time to time, and you must comply with any change we mandate.

(a) We have and will continue to periodically approve suppliers and distributors of the materials and supplies used in the operation of a Business that meet our standards and requirements, including, without limitation, standards and requirements relating to quality, prices, consistency, reliability, financial capability, labor relations and customer relations. You must purchase all materials and supplies only from distributors and other suppliers approved by us from time to time. You acknowledge, understand and agree that the production services for your The Inside Coup magazine may only be fulfilled through our affiliate.

(b) We may approve a single distributor or other supplier (collectively "supplier") for any item and may approve a supplier only as to certain items. We may concentrate purchases with one (1) or more suppliers to obtain lower prices or the best advertising support or services for any group of The Inside Coup Businesses. We may, if we choose, take advantage of discounts offered by a supplier in connection with the acquisition of large quantities of products and resell said products to you at a profit. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

8.5 Compliance with Applicable Laws. You shall secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Business. You must operate the Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, Anti-Terrorism Laws (as defined in Section 21.13), as well as all government regulations relating to workers' compensation insurance, unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. All advertising employed by you must be completely factual, in good taste (in our judgment), and must conform to the highest standards of ethical advertising. You must in all dealings with us, customers, suppliers, and public officials adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You must refrain from any business or advertising practice that may be harmful to our business, the goodwill associated with the Proprietary Marks or other The Inside Coup Businesses. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental unit, which may adversely affect the operation or financial condition of you or the Business, or of any notice of violation of any law, ordinance or regulation relating to health or safety.

8.6 Business Management; No Employment Interference.

(a) You shall assure that at all times the Business must be under the direct, on-premises supervision of you or of a Manager who has satisfactorily completed our training program and of whom we have approved. If you hire employees of the Business, you shall be exclusively responsible for the terms of their employment, their compensation, and for the proper training of the employees in the operation of the Business.

(b) You may not recruit or hire, either directly or indirectly, any employee (or former employee for twelve (12) months after his or her employment has ended) of a Business without our advance written permission or that of the employer-franchisee. (If you violate this provision, you shall pay the hired employee's former employer twice the hired employee's annual salary, plus all costs and attorneys' fees incurred as a result of the violation.) All activities conducted by you for your Business shall be conducted by you and your staff, under your exclusive control and authority.

8.7 Payments to Us or Our Affiliates. You shall provide that payment for all services purchased from us or our affiliates by you shall be due and payable within two (2) days after receipt of an invoice therefor, unless otherwise specified by us.

8.8 Training Requirements You shall assure that the personnel working in the Business shall attend and participate at such additional or supplemental training courses, seminars and franchisee meetings as may be specified by us from time to time, as further described in Section 6.4

8.9 Promotions. You shall actively participate in and cooperate with our national, regional and local advertising and sales promotion campaigns, and (without limiting the generality of the foregoing) you shall

(a) obtain our prior written approval to all promotions, special events, sales promotion materials and advertising used by you (including, without limitation, on-site, Internet, direct mail, newspaper, radio and television advertising, and advertising by third parties in connection with your Franchised Business),

(b) conduct such promotions and special events and offer such promotional items as we may from time to time require,

(c) not make any television or radio appearance or make any statement to any media in connection with the System without first obtaining our written consent, and

(d) not use the name of a public figure or celebrity in your promotional efforts or advertising without our express written approval

8.10 Sales Requirements You must satisfy the Sales Requirements set forth in Exhibit 1 to this Agreement. If you fail to meet the Sales Requirements two or more times within any 12 month period, you will have 60 days to re-take and pass (to our satisfaction) our Initial Training Program and achieve the minimum requirements. If you fail to meet the Sales Requirements three (3) times within any 12-month period, we may terminate your Franchise Agreement.

8.11 Continuous Operation of Zones. You must, once opened, continue to publish The Inside Coup Magazines in each Zone in your Designated Territory unless we provide, prior written approval, of your request to cease publishing The Inside Coup Magazines in a particular Zone, which we shall have the right to grant or not grant, in our sole discretion. If you fail to publish your The Inside Coup magazine for one month in a Zone or Zones and/or fail to continuously operate the Franchised Business, without our prior written consent, we may, among other remedies available to us, terminate your rights in the Zone or Zones where you failed to comply with this Section 8.11, and/or terminate the Franchise Agreement. Nothing in this Section 8.11 should be construed to limit or exclude damages of any kind that we incur as a result of your failure to comply with the obligations set forth in the Franchise Agreement.

ARTICLE 9

PROPRIETARY MARKS

9.1 Proprietary Marks. When used in this Agreement, "Proprietary Marks" means the trademark and service mark "The Inside Coup" which is used now or in the future to identify the Business and to distinguish it from that of any other business, together with the trademarks, service marks, trade names, logos and commercial symbols as may be designated by us from time to time for use in connection with the System.

9.2 License of Proprietary Marks. You are licensed to use the Proprietary Marks, goodwill and trade secrets in the operation of the Business only at the location specified in Exhibit 1. Nothing in this Agreement shall be construed as authorizing or permitting their use at any other location or for any other purpose, except as may be authorized in writing by us.

9 3 Ownership of Proprietary Marks We are the owner or the licensee of the owner of the Proprietary Marks with the right to sub- license the Proprietary Marks to our franchisees. All references herein to our rights, title and interests in and to the Proprietary Marks shall be deemed to include the owner's rights, title and interests in and to the Proprietary Marks. You acknowledge that, as between you and us, the ownership of all of the Proprietary Marks, goodwill and trade secrets remains solely with us and that you shall not register or attempt to register the Proprietary Marks or to assert any rights in them other than as specifically granted in this Agreement.

9 4 Use of Proprietary Marks You shall only use the Proprietary Marks, logos, trade styles, color combinations, designs, signs, symbols and slogans we specify, and only in the manner and to the extent specifically permitted by this Agreement, the Confidential Operations Manual or in any other manuals, directives or memos prepared by us.

9 5 Approval of Items Using Proprietary Marks We reserve the right to approve all signs, memos, stationery, business cards, advertising material, forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the phrase "The Inside Coup" shall be in accordance with this Agreement and the Confidential Operations Manual, and you shall obtain our approval prior to such use.

9 6 Cessation of Use after Expiration, Termination or Non-Renewal. Upon the expiration, termination or non-renewal of this Agreement, you shall immediately cease using the Proprietary Marks, color combinations, designs, symbols or slogans, and we may cause you to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination or non-renewal, you shall not represent or imply that you are associated with us. To this end, you irrevocably appoint us or our nominee to be your attorney-in-fact to execute on your behalf any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. You acknowledge and agree that the unauthorized use of the Proprietary Marks will result in irreparable harm to us for which we shall be entitled to obtain injunctive relief, monetary damages, reasonable attorneys' fees and costs.

9 7 Notification of Infringement. You shall immediately notify us of any apparent infringement of or challenge to your use of the Proprietary Marks, or any claim, demand, or suit based upon or arising from the unauthorized use of, or any attempt by any other person, firm, or corporation to use, without authorization, or any infringement of or challenge to, any of the Proprietary Marks. You also agree to immediately notify us of any other litigation instituted by any person, firm, corporation or governmental entity against us or you.

9 8 Our Right to Defend. We may, in our discretion, undertake the defense or prosecution of any litigation concerning you that relates to any of the Proprietary Marks or that, in our judgment, may affect the goodwill of the System, and we may, in such circumstances, undertake any other action we deem appropriate. We shall have sole and complete discretion in the conduct of any defense, prosecution or other action we choose to undertake. In that event, you shall cooperate and execute those documents and perform those acts, which in our opinion are necessary for the defense, or prosecution of the litigation or for such other action as may be undertaken by us.

9 9 You May Use Only Designated Proprietary Marks In order to develop and maintain high uniform standards of quality and service and to protect our reputation and goodwill, you shall do business and advertising using only the Proprietary Marks designated by us. You shall not do business or advertise using any other name. You are not authorized to and shall not use the phrase "The Inside Coup" by itself, as a part of the legal name of any corporation, partnership, proprietorship or other business entity to which you are associated, or with a bank account, trade account or in any legal or financial connection.

9 10 Inspection. In order to preserve the validity and integrity of the Proprietary Marks, and to assure that you are properly employing them in the operation of your business, we and our agents shall have the right at all reasonable times to inspect your business, financial books and records, and operations. You shall cooperate with and assist our representative in such inspection.

9 11 Copyright and Trademark Symbols. You shall be required to affix the ©, ®, ™ or SM symbol upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the phrase "The Inside Coup" or any other of the Proprietary Marks, whether presently existing or developed in the future.

9 12 No Right to Deny Use of Proprietary Marks. You acknowledge that you do not have any right to deny the use of the Proprietary Marks to any other franchisee of ours. In consideration therefor, you shall execute all documents and take such action as may be requested to allow us or other franchisees of ours to have full use of the Proprietary Marks.

9 13 Avoidance of Conflict. If during the term of this Agreement there is a claim of prior use of "The Inside Coup" name or any other of the Proprietary Marks in the area in which you are doing business or in another area or areas, you shall so use our other Proprietary Marks in such a way and at our discretion in order to avoid a continuing conflict.

9 14 Indemnification. We agree to indemnify you against, and to reimburse you for, all damages, costs, reasonable attorneys' fees and expenses for which you are held liable in any proceeding in which your use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceedings in which you are named as a party, provided that you have timely notified us of such claim or proceedings, have otherwise complied with this Agreement and have tendered complete control of the defense of such to us. If we defend such claim, we shall have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney retained by you.

9 15 Limited License; Modification or Substitution of Proprietary Marks.

(a) You understand and agree that the limited license to use the Proprietary Marks granted hereby applies only to such Proprietary Marks as are designed by us, and which are not subsequently designed by us as being withdrawn from use, together with those that may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Proprietary Marks.

(b) If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then you shall be obligated to comply with any such instruction by us. We shall have no obligation to reimburse you for any of your expenses of compliance, and you waive any claim arising from or relating to any Proprietary Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

9 16 Name Registrations. Before commencing business at the Business, you must supply evidence satisfactory to us that you have complied with all applicable laws regarding the use of fictitious or assumed names. You must take such steps as we approve in writing to register the trade name "The Inside Coup" to be able to operate the Business under such name. Except for registration of a "d/b/a" or

assumed name or other fictitious name certificate in connection with the operation of the Business, you must not register or attempt to register our names or the Proprietary Marks in your own name or that of any other entity, nor shall you make any attempt to register a domain name which includes the Proprietary Marks

ARTICLE 10

OPERATIONS MANUAL AND CONFIDENTIALITY

10 1 Confidential Operations Manual. We shall lend to you during the term of this Agreement an operations manual, which could include audio tapes, video tapes, computer disks and/or written materials and which we may choose to provide electronically, for the Business (herein referred to as the "Confidential Operations Manual") containing mandatory specifications, standards, methods, techniques and procedures for the operation of the Business prescribed from time to time by us for our franchisees, and containing information relative to your other obligations hereunder. All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws. Specifications, standards and operating procedures prescribed from time to time by us in the Confidential Operations Manual or otherwise communicated to you in writing shall constitute provisions of this Agreement as if fully set forth herein and shall be kept confidential by you at all times during the term of this Agreement and after the termination or expiration thereof for any reason. You shall operate your Business strictly in accordance with the Confidential Operations Manual. We shall have the right to add to, and otherwise modify, the Confidential Operations Manual from time to time to reflect changes in Approved Products and Services, the System, or the operation of the Business, provided, however, no such addition or modification shall alter your fundamental status and rights under this Agreement. You covenant to accept, implement and adopt any such modifications at your own cost. You shall keep the Confidential Operations Manual up to date with replacement pages and insertions as instructed by us. You acknowledge that the Confidential Operations Manual contains proprietary information of ours and you agree to keep the Confidential Operations Manual and its contents confidential at all times and not to make any copies thereof. The Confidential Operations Manual shall at all times remain our property, and you shall promptly return the Confidential Operations Manual to us upon our request, and in any event upon the termination or expiration of this Agreement for any reason. In the event a dispute arises as to the contents of the Confidential Operations Manual, the master copy maintained by us shall be controlling.

10 2 Confidentiality

(a) You shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information or know-how concerning the methods of operation of the System hereunder which may be communicated to you, or of which you may become apprised, by virtue of the operation of the Business under this Agreement. As used herein, "Confidential Information" includes, but is not limited to, our System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of The Inside Coup Businesses, the terms of this Agreement, the Confidential Operations Manual, graphic designs and other intellectual property, your customer database and your subscriber list. You shall divulge such confidential information only to such of your employees who must have access to it in order to operate the Business. Any and all information, knowledge, and know-how including, without limitation, the materials, equipment, specifications, techniques, and other data, which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us, or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others, or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others.

(b) You shall require all of your personnel execute covenants that they will maintain the confidentiality of information they received in connection with their employment by you at the Business. Such covenants shall be on a form provided by us, including the form of Confidentiality and Non-Competition Agreement attached hereto as Exhibit 6, and which will include, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. You shall provide us with a copy of each executed covenant within ten (10) days after it is executed.

(c) You acknowledge that any failure to comply with the requirements of this Article 10 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by us when we seek to obtain specific performance of or an injunction against violation of the requirements of this Article 10.

10.3 Customer Database and Subscriber List. You acknowledge that the database of customers and subscriber list for your The Inside Coup magazine are proprietary to us, are our property, and upon termination, expiration or non-renewal of this Agreement, such database and list shall remain our property.

10.4 Return of Confidential Operations Manual. You shall keep the Confidential Operations Manual in your Business at all times and promptly return all copies to us upon the expiration or termination of this Agreement, and shall refrain from making any copies thereof or otherwise reproducing it either in whole or in part at any time.

ARTICLE 11

INSURANCE

11.1 Prior to opening the Business, you must obtain the insurance coverages we specify in the Confidential Operations Manual or otherwise in writing. The insurance policies must be issued by the insurance carrier(s) that we designate or, if we do not designate a specific insurance carrier, by carriers qualified to do business in the state encompassing the Designated Territory. As of the date of this Agreement, you agree to purchase and maintain the following insurance coverages: (1) comprehensive general liability insurance, including property casualty coverage, with limits of not less than One Hundred Thousand Dollars (\$100,000)/Three Hundred Thousand Dollars (\$300,000) combined single limit, (2) business automobile liability insurance for both owned and non-owned vehicles, with minimum limits of One Hundred Thousand Dollars (\$100,000) combined single limit, (3) workers' compensation insurance and employer's liability insurance in the amounts required by applicable state law, and (4) any additional coverages that are required by state law, by the terms of your lease (if you choose to lease space), or that we may otherwise require.

11.2 You must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we so request, our parent, affiliates, directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

11.3 Not later than five (5) days before your Business opens, and thereafter upon renewal of each insurance policy, you must furnish us with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our

other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur, or in the alternative, we shall have the right to terminate this Franchise Agreement.

11.4 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 11 or your indemnification obligations under Article 19.

ARTICLE 12 **TERMINATION**

12.1 **Automatic Termination – No Opportunity to Cure.** You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you:

(a) if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors,

(b) if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you, if you are adjudicated a bankrupt or insolvent, if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your Business or assets is filed and consented to by you, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction,

(c) if proceedings for a composition with creditors under any state or federal law should be instituted by or against you,

(d) if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed),

(e) if you are dissolved, if execution is levied against your Business or property, if suit to foreclose any lien or mortgage is instituted against you and not dismissed within thirty (30) days, or

(f) if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

12.2 **Termination Upon Notice – No Opportunity to Cure.** We shall have the right, at our option, to terminate this Agreement and all rights granted to you hereunder, without providing you the opportunity to cure the default (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by you, addressed as provided in Section 21.8, upon the occurrence of any of the following events:

(a) You fail, in the time provided in, or otherwise in accordance with this Agreement to open the Franchised Business, or you fail to successfully complete the initial training program within the timeframe provided in Section 6.2, after giving you an opportunity to re-take the training program (if we choose to do so),

(b) You or any of your owners has made any material misrepresentation or omission in the application for the Franchised Business, including, but not limited to, failure to disclose any prior litigation or criminal convictions (other than minor traffic offenses),

(c) You intentionally or negligently disclose to any unauthorized person the contents of or any part of our Confidential Operations Manual or any other of our trade secrets or confidential information,

(d) You voluntarily abandon the Franchised Business for a period of five (5) consecutive business days, or any shorter period that indicates your intent to discontinue operation of the Franchised Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond your control and not related to the availability of funds to you,

(e) You or any owner of greater than twenty percent (20%) of the Franchisee entity or operation is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in our sole opinion, to materially and unfavorably affect The Inside Coup franchise, the Proprietary Marks and the goodwill or reputation thereof,

(f) You fail to pay any amounts due us or our affiliates within ten (10) days after receiving notice that such fees or amounts are overdue on two (2) occasions within any twelve (12) month period,

(g) You misuse or fail to follow our directions and guidelines concerning use of the Proprietary Marks and fail to correct the misuse or failure within fourteen (14) days after notification from us,

(h) You have received two (2) notices of default with respect to your obligations hereunder from us within a twelve (12) month period, which remain uncured for five (5) days after receipt of notice,

(i) There are excessive (determine in our reasonable discretion) complaints with respect to your Franchised Business in any twelve (12) month period, whether or not resolved,

(j) You sell, transfer or otherwise assign an interest in the Franchise, this Agreement, the Franchised Business or a substantial portion of the assets of the Franchised Business owned by you without complying with the provisions of Article 15,

(k) You contest in any court or proceeding the validity of or our ownership of the Proprietary Marks,

(l) You fail to comply with all applicable laws and ordinances relating to the Business, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation,

(m) You and/or any of your owners (and/or any affiliate of yours and/or any affiliate's owner) make any knowing misrepresentation to us or any affiliate, including, but not limited to, any misrepresentation of Gross Sales and/or any amounts due us and/or any affiliate and/or commit any other act or omission constituting fraud, misrepresentation or similar act or omission, whether with respect to us, any of our related entities and/or any third party (you agree that any fraud, misrepresentation or similar act or omission by you, etc. is by its nature incurable, since it would adversely affect the goodwill associated with the Proprietary Marks and/or irrevocably damage the relationship between you and us),

(n) You (and/or any of your owners and/or affiliate) engage in any legal action (including arbitration) against us and/or any of our related persons/entities and do not receive a final judgment or award substantially in your favor on the merits,

(o) You have failed to retain (or otherwise fail to produce on request) any records required to be maintained by our record retention policy or otherwise are required for us to confirm your compliance with the provisions of this or any other agreement,

(p) You lose any licenses or certifications required by us or by any governmental authority to operate the Business,

(q) You fail to use our affiliate as the approved supplier to fulfill your production services, unless we have provided our prior written consent for you to do so, or

(r) You fail to meet your minimum sales requirement as described in Section 8 9(d) above

12 3 Termination Upon Notice - Opportunity to Cure. Your rights and our obligations under this Agreement will automatically terminate on our mailing of notice of termination to you, without further action by us and without further opportunity to cure beyond that set forth in this Section 12 3, if you, any of your owners or any of your or your owners' affiliates

(a) Five (5) Day Cure Fail to submit, in fully accurate and complete form and when required, any report due under this Agreement, or fail to make payments of any amounts due us, any of our affiliates and/or any of your suppliers/creditors, or use the System and the Proprietary Marks at or from a location outside of the Designated Territory, or sell any product or service to customers outside of the Designated Territory and do not correct such failure within five (5) calendar days after written notice is mailed to you, or offer or sell any product or services that we have not authorized,

(b) Ten (10) Day Cure Fail to provide us with copies of required reports within the timeframe specified in Article 4, violation of any law applicable to the operation of the Franchised Business, or suspension of any license or certification required by us or any governmental authority for the operation of the Franchised Business,

(c) Thirty (30) Day Cure Fail to remain current in your obligations to taxing authorities, equipment lessors, suppliers or others, or fail to comply with any other provision of this Agreement, or any other agreement with us and/or any of our affiliates, or any specification, standard or operating procedure or rule prescribed by us (including reporting requirements), and, in any such case, do not (a) correct such failure within thirty (30) calendar days after written notice of such failure to comply is mailed to you, or (b) if such failure cannot reasonably be corrected within such thirty (30) day period, undertake within thirty (30) calendar days after such written notice is mailed to you, and diligently continue until completion, efforts to bring the Franchised Business into full compliance and furnish, at our request, proof acceptable to us of such efforts and the date full compliance will be achieved, provided that, in any event, such defaults must be fully cured within ninety (90) calendar days after such written notice is mailed to you

12 4 Cross-Defaults

(a) Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates) Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates

and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates)

(b) In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy that we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

12.5 Our Right to Discontinue Services to You. If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 12, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services for which we or our affiliate are an approved supplier to you, and we may suspend your "click through" sub-page on our website until such time as you correct the breach.

12.6 Amendment Pursuant to Applicable Law. Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations, provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

ARTICLE 13

RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

13.1 Payment of Amounts Owed to Us and Other Creditors. You agree to pay, within seven (7) days of the effective date of termination or expiration of this Agreement, all amounts owed to us and any company affiliated with us and your trade and other creditors which are then unpaid. All periodic payments shall be deemed to accrue daily and shall be adjusted accordingly.

13.2 Return of Confidential Operations Manual and Retention of Records. You agree that, within fifteen (15) days of the effective date of termination, non-renewal or expiration of this Agreement for any reason, you will immediately return to us all copies of the Confidential Operations Manual, your customer database and subscriber list (which are our property), and all other lists of customers, prospect and leads of the Business and all promotional or other materials of a proprietary nature or which bears any of the Proprietary Marks. You shall retain all business records for at least five (5) years following the expiration of termination of this Agreement, and shall keep us advised of the location of such records.

13.3 Cancellation of Assumed Names, Transfer of Phone Numbers and Website Listings. You agree, upon termination, non-renewal or expiration of this Agreement for any reason, to take such action as may be required to cancel all registrations relating to the use of any of the Proprietary Marks, including, but not limited to, any electronic address, domain name, search engine or website that associates you with us, the Business or the Proprietary Marks (if we allowed you to establish same), and will not directly or indirectly at any time or in any manner identify any premises or any business as a franchise, or yourself as a franchisee, of ours, and you shall not, in any manner or for any purpose, use any of the Proprietary Marks or any colorable imitation thereof. You shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number and any classified or other telephone directory listings associated with such names and to authorize the transfer of same to us or

our new franchisee. You shall also notify your internet service provider and all associated internet listing agencies of the termination or expiration of your right to use any domain name, uniform resource locator listing and website listings associated with such names and to authorize the transfer of same to us or our new franchisee. You acknowledge that, as between us and you, we have the sole rights to and interest in all telephone numbers, directory listings and website listings associated with the Proprietary Marks. You will provide us, on execution, with undated assignments of internet websites and listings and the telephone number and listings to us, in the forms attached to this Agreement as Exhibits 3 and 4.

13.4 Signs and Appearance of the Business. In the event that you own or have leased space for the Business and you maintain possession of the premises subsequent to the termination or expiration of this Agreement, you agree to immediately, upon our request, make such alterations and removals or changes in signs and colors as we may reasonably request so as to distinguish effectively the premises from its former appearance and from the then-prevailing Business image.

13.5 Continuing Obligations. All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect, notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 9, 10, 12 and 14 hereof shall survive termination or expiration of this Agreement.

13.6 Our Right to Repurchase.

(a) Upon expiration, non-renewal or termination of this Agreement, we shall have the option (but not the obligation), exercisable by written notice to you within thirty (30) days after expiration, non-renewal or termination of this Agreement, to purchase from you for cash all or a portion of the tangible assets of the Business. The purchase price for said assets shall be an amount agreed upon by you and us. In the event you and we cannot agree on a purchase price within a reasonable time, the purchase price shall be determined by an independent appraiser selected as follows: we and you shall each select one (1) appraiser and those (2) appraisers shall select a third appraiser who shall determine the purchase price. The decision of the third appraiser shall be binding on all parties. We and you shall each pay the cost of our respective appraisers, and the cost of the third appraiser shall be divided equally between us and you. In determining the purchase price, no value shall be included for intangibles, goodwill or going concern value.

(b) The closing of our purchase of the assets (the "Closing") shall occur at a time and place designated by us, but in no event later than sixty (60) days after determination of the purchase price. The purchase price shall be paid in three (3) equal installments. The first installment shall be paid at the Closing and subsequent installments shall be due on the first and second anniversary dates of the Closing. Unpaid installments of the purchase price shall accrue interest from the date of the Closing until paid at the prime rate of interest announced from time to time by Citibank, N.A. or, if said bank stops announcing such a rate, then at the rate such bank charges its largest commercial borrowers for short term borrowing. Payment of any accrued interest shall accompany payments to you of each installment of the purchase price. We shall have the right to offset against and reduce the amount of the first installment of the purchase price, and defer said installment, if necessary, by any and all amounts owed by you to us or any of our affiliates. If you are unable to deliver clear title to all the purchased assets or if there are other unresolved issues, the Closing will be accomplished through an escrow.

(c) If we exercise the repurchase option set forth herein, we shall have the right, pending the Closing, to appoint a manager to maintain the operation of the Business. Alternatively, we may require you to close the Business during such time period. We have an unrestricted right to assign the option to repurchase set forth herein.

13.7 Liquidated Damages

(a) Upon termination of this Agreement for cause, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty-four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower

(b) The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages

(c) The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and property owners and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 14 **COVENANTS**

14.1 Confidential Information During and after the Term, you may not communicate, divulge or use for any purpose other than the operation of your Franchised Business any confidential information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us ("Confidential Information"). You may divulge Confidential Information only to your professional advisers and to your employees who must have access to the information to operate your Franchised Business. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure, or which, at the time of our disclosure to you, had become a part of the public domain. You must require your Operating Principal and key employees and any other person or entity you wish to disclose any Confidential Information to sign agreements, in a form acceptable to us, that they will maintain the confidentiality of the disclosed information. The agreements must identify us as a third-party beneficiary with the independent right to enforce the agreements

14.2 Restrictions

(a) You acknowledge and agree that (i) pursuant to this Agreement, you will have access to the Confidential Information, (ii) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value, (iii) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money, (iv) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among our franchisees if our franchisees were permitted to hold interests in "Competitive Businesses" (which are defined as direct mail magazines, newsletters, flyers or publications that include coupons for local businesses). You acknowledge that restrictions on your right to hold interests in, or perform services for Competitive Businesses will not hinder your activities. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the

restrictions contained in this Section 14.2 will not deprive you of your personal goodwill or ability to earn a living

(b) You therefore agree that, during the term of this Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, you and your owners will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity

(i) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competitive Business,

(ii) knowingly employ or seek to employ any person then employed by us or employed by any The Inside Coup franchisee as a manager or higher, or otherwise directly or indirectly induce such person to leave his or her employment without our prior written consent, or

(iii) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential customer of a company owned or franchised owned The Inside Coup business to a Competitive Business

14.3 Restricted Period For purposes of this Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated, provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated, provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated

14.4 Geographical Restrictions During the term of this Agreement, there is no geographical limitation on the restrictions contained in this Section 14. During the Restricted Period, these restrictions will apply in the Designated Territory, within a 5-mile radius of the outer boundaries of the Designated Territory, within the Designated Territory of any other The Inside Coup business then in operation or for which a franchise agreement has been executed, and within 5 miles of the Designated Territory of any other The Inside Coup business then in operation or for which a franchise agreement has been executed on the later of (i) the date of the termination or expiration of this Agreement, or (ii) the date on which all persons restricted by Section 14 begin to comply with Section 14

14.5 Period of Non-Compliance If, at any time during the Restricted Period, you or your owners fail to comply with your obligations contained in this Section 14, that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 14. These restrictions also apply after Transfers, as provided in Section 15.2. Equity ownership of less than 2% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 14

14.6 Enforceability If any restriction in this Section 14 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable

14.7 Employees and Representatives. You agree to obtain similar covenants from the personnel and persons we specify, including your officers, directors, managers and other employees who attend our training programs or have access to Confidential Information and your immediate family members (which include spouses and domestic partners and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure) We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights

ARTICLE 15

ASSIGNMENT, TRANSFER AND SALE

15.1 By Franchisor

(a) Franchisor shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations, and (ii) the assignee shall expressly assume and agree to perform such obligations

(b) You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations, or be acquired by another corporation, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "The Inside Coup Franchising Company" as Franchisor Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement

15.2 By Franchisee. You shall not, in whole or in part, voluntarily or involuntarily, directly or indirectly, pledge, encumber, mortgage, assign, subdivide, subfranchise or otherwise transfer any interest in this Agreement, or any interest in the Business or the franchise granted hereunder (including, without limitation, by your personal representatives in the event of the death of the non-corporate Franchisee, by will, declaration of, or transfer in, trust or the laws of intestate succession), or any interest in you or in any proprietorship, partnership, limited liability company or corporation which owns any interest in this Agreement or in the Business or the franchise granted hereunder or in you, nor offer, permit or suffer the same without our prior written approval Approval shall be subject to compliance with each of the following conditions either before or concurrently with the effective date of the transfer

(a) your being then in full compliance herewith and settling and paying to us or our affiliates all outstanding debts,

(b) the transferee executing our then-current franchise agreement and such other ancillary agreements, instruments and documents then customarily used by us to grant Business franchises as well as satisfactorily completing our initial training program,

(c) you and your officers, directors and shareholders, if a corporation, executing a general release of us, our affiliates, and our respective officers, directors and employees,

(d) the transferee purchasing all of your assets used in the business of the Business in accordance with all applicable bulk sales legislation and assuming all of your business liabilities,

(e) the transferee being an individual or corporate entity having adequate financial resources and otherwise meeting all the criteria for "The Inside Coup" franchisees,

(f) you or transferee remitting to us a transfer fee in the amount of Fifteen Thousand Dollars (\$15,000) (the "Transfer Fee") for the administration of such transfer, the preparation, execution and filing of all documentation required by us in connection with such transfer, and the training of the transferee,

(g) you and transferee entering into a written agreement of purchase and sale, the form and content of which shall be subject to our approval,

(h) neither the transferee nor its owners or affiliates operate or have any ownership interest in a Competitive Business or any other business which in any way competes with a "The Inside Coup" Business,

(i) if you finance any portion of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements or security interests reserved in the Business are subordinate to the transferee's obligation to pay Royalty Fees and other amounts due to us, our affiliates and third party vendors and otherwise to comply with this Agreement,

(j) you or your transferring owners (and their spouses) will not, for three (3) years beginning on the transfer's effective date, engage in any of the activities prescribed in Section 14.2 hereof, and

(k) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Businesses they own and operate) identify yourselves or any business as a current or former "The Inside Coup" Business or as one of our franchisees, use any Proprietary Mark, any colorable imitation of a Proprietary Mark, or other indicia of a "The Inside Coup" Business in any manner or for any purpose, or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us

15.3 Effect of Consent to Transfer Our consent to a transfer of this Agreement and the Business or any interest in you is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement's terms and conditions

15.4 Assignment to Corporate Entity Notwithstanding Section 15.2, if you have executed this Agreement as an individual, you may, subject to Article 16, assign this Agreement without charge, once only, to a newly formed corporate entity (including a corporation, partnership, limited liability company or other recognized limited liability entity) which shall conduct no business other than the franchise granted hereunder, which is actively managed by you and in which you (and any other individuals executing this Agreement as Franchisee) at all times own and control the same percentage equity and voting rights and interests in the corporate entity as owned individually. You and such corporate entity shall execute our standard form to transfer such interests to a corporate entity, and you and all of your owners shall execute our form of personal guaranty

Upon the assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors and shareholders (or managers and members or partners, as the case may be) to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its formation documents to provide in effect that its object or business is confined exclusively to the operation of a "The

Inside Coup" Business as provided in this Agreement, and cause the entity to restrict the issue of, and its directors and shareholders (or managers and members or partners, as the case may be) to restrict the transfer of, interests in the entity so that you (and any other individuals executing this Agreement as Franchisee) shall continuously own greater than fifty percent (50%) of the equity and voting rights and interests in such entity

15.5 Transfer Among Franchisees In the event that you comprise two (2) or more individuals, we shall not unreasonably withhold our consent to a sale, assignment or transfer of any kind (a "Transfer") of the interest of one (1) such individual (the "Transferor") in the franchise hereunder to the other individual or individuals comprising you, if but only if

(a) the Transferor transfers the whole of such interest in this Agreement and the lease and all other agreements relating to the franchise hereunder,

(b) the Transfer shall not relieve the Transferor of the Transferor's obligations hereunder to us,

(c) the Transfer shall be completed in accordance with all applicable bulk sales legislation,

(d) the Transferor shall have given us at least thirty (30) days' prior written notice of the proposed Transfer, together with all reasonable details thereof which we may demand,

(e) the Transferor and the remaining individual(s) with an interest in you execute such documents as may be required by us in connection with such Transfer, and

(f) the remaining individual(s) with an interest in you is (are), in our opinion, capable of operating the business associated with the Business without the Transferor

15.6 Our Right of First Refusal. If you shall at any time decide to sell the Business or the ownership interest therein, you shall obtain a bona fide, executed written offer to purchase the Business, together with all assets used by you in connection with the Business, from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to us. We shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, but not the obligation, exercisable by written notice to you, to purchase all of the said assets of you for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer and there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with such sale. During said thirty (30) day period, we shall have the right to inspect all of your books and records relating to the Business's operation, specifically including all financial records and statements for the three (3) full fiscal years preceding the date on which the thirty (30) day right of first refusal commences, and if you are a corporate entity, all corporate minute books and transfer records. If we do not exercise our right of first refusal, you may complete the sale of the Business to such purchaser on the same terms offered to us subject to the provisions of Section 15.2 hereof. If the sale to such purchaser is not completed within sixty (60) days after delivery of such offer to us, or if the material terms of the offer change, we shall again have the right of first refusal herein provided.

15.7 Temporary Operation of Business by Us. For the purposes of this Section 15.7, "you" shall include the controlling shareholder of a corporate Franchisee. In the event that you

(a) fail to keep the Business open for business during the hours required by us (whether pursuant to the Confidential Operations Manual or otherwise), subject to applicable law,

(b) are absent from the Business for more than fifteen (15) consecutive days or for more than thirty (30) days in any consecutive ninety (90) day period, or abandon the Business, or

(c) die or become incapacitated and your heirs or personal representatives have not yet, or do not, assume control of the business of the Business by means of an assignment (with our approval) pursuant to Sections 15.2 and 15.8 hereof, then, unless and until we terminate this Agreement pursuant to Article 12 or Section 15.8 hereof, we shall be entitled to operate and manage the Business for your (or your estate's) account until the franchise hereunder is terminated, assigned to a party acceptable to us or until you resume control over the Business and operate it in accordance herewith, provided, however, that no such operation and management by us shall continue for more than ninety (90) days without the written consent of you or your personal representatives or the representatives of your estate. In the event that we so operate the Business, we shall account to you (or your estate) for all net income from such operation, less our reasonable expenses incurred in, and a reasonable management fee at our then-current per diem management rate for, our operation of the Business. If, as herein provided, we temporarily operate the Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from all acts that we may perform, as regards the interests of you or third parties.

15.8 Death or Incapacity For the purposes of this Section 15.8, "you" shall include the controlling shareholder of a corporate Franchisee. If you die or become incapacitated (which shall be deemed to include, in our reasonable opinion, your inability, by reason of physical or mental illness or disability, to operate the Business in the ordinary course for a period of thirty (30) days or more in any consecutive ninety (90) day period) so that you (or, in the case of your incapacity only, the Manager(s)) are not able to devote full time and attention to the operation of the Business, then the rights granted hereunder may be transferred to the heirs or personal representatives of you, if our prior written consent is obtained, within twelve (12) months from the beginning of the disability or from the date of death. In no event will we be willing to provide our consent to such transfer unless the conditions set forth in Section 15.2 hereof (save and except the requirement to pay our then-current transfer fee) are satisfied. In the event that such conditions (save and except the requirement to pay our then-current transfer fee) are not satisfied, we shall have the right in our sole discretion to terminate this Agreement by notice, in the case of death, to your estate and, in the case of your incapacity, to you.

15.9 Brokers Fees and Commissions In addition to the Transfer Fee and other amounts due and payable in connection with a Transfer, Franchisee shall be solely responsible for, and shall pay all commissions, fees, or other amounts due and payable in connection with a Transfer pursuant to this Article 15. If the transferee comes through the investigation process with a franchise sales broker that you or we have retained, you will be obligated to pay, in addition to the Transfer Fee or other fees payable to Franchisor in connection with the Transfer, all applicable commissions or fees due to such broker. We may condition our approval of a Transfer on your satisfaction of the obligations of this Section 15.9.

ARTICLE 16

PARTNERSHIP AND CORPORATE FRANCHISEES

If you are or your successor is a partnership, limited liability company or corporation, or if the franchise granted hereunder is assigned to a partnership, limited liability company or corporation pursuant to Article 16 hereof:

16.1 upon the execution of this Agreement (or, in the case of an assignment, upon such assignment) and subject to the provisions of Article 15 hereof, upon each transfer of an interest in this Agreement or in you, all holders of an interest in you shall execute a written agreement with us in the form required by us individually undertaking to be bound, jointly and severally, by all of the terms of this Agreement,

16.2 the articles of partnership, partnership agreement, articles of incorporation, by-laws, certificate of formation, operating agreement and other organization documents shall recite that the issuance and transfer of any interest therein is restricted by the terms of Article 15 of this Agreement and copies thereof shall be furnished to us at our request. You shall also submit to us, at any time upon request, a list of all directors, officers, partners, beneficial shareholders, managers and/or members reflecting their respective interests in you and other information regarding you, in such form as we may require, and you, if you are a corporation, shall maintain stop transfer instructions against the transfer on your records of any securities with voting rights subject to the restrictions of Article 15 hereof and shall issue no such securities, nor permit any issued securities to remain outstanding, upon the face of which the following printed legend does not legibly and conspicuously appear:

“The transfer of the shares represented by this certificate is subject to the terms and conditions of a Franchise Agreement with The Inside Coup Franchising, Inc. dated _____, 20__.”

ARTICLE 17

TAXES, PERMITS AND INDEBTEDNESS

17.1 Responsibility for Taxes. You shall be solely responsible for all expenses of the business franchised by this Agreement and shall promptly pay when due all taxes levied or assessed and all indebtedness to us or to others incurred by you in connection with the conduct of such business.

17.2 Compliance with Laws. You shall comply with all federal, provincial and local by-laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business licensed by this Agreement, including, without limitation, licenses to do business, name registrations and sales tax permits.

17.3 Notice of Litigation. You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other government instrumentality that may adversely affect the operation or financial condition of the Business.

ARTICLE 18

CUSTOMER RELATIONS

18.1 Cooperation. You shall cooperate with us and all other franchisees of ours in promoting good public and customer relations with the public generally and with customers and potential customers, including subscribers and potential subscribers, of the Business.

18.2 Customer Complaints. You shall promptly advise and provide us with copies of all complaints and compliments received from customers or subscribers. We shall be entitled to respond to any complaints or to require you to respond to any complaints. You must also follow our strict customer service and satisfaction guidelines as set forth in the Confidential Operations Manual.

ARTICLE 19

RELATIONSHIP AND INDEMNIFICATION

19.1 Independent Parties. You are and will at all times remain an independent contractor and are not and shall not represent yourself to be the agent, joint venturer, partner or employee of ours, or to be related to us other than as our independent franchisee. No representations will be made or acts taken by you which could establish any apparent relationship of agency, joint venture, partnership or employment, and we shall not be bound in any manner whatsoever by any agreements, warranties or representations made

by you to any other person, nor with respect to any other action of yours. You shall not establish any bank account, make any purchase, apply for a loan or credit, or incur or permit any obligation to be incurred in our name or on our credit. All business activities shall be conducted by yourself and your staff on behalf of your Business.

19.2 Non-Liability. We shall not be obligated or liable for any injury or death to any person, or damage to or loss of any property caused by your action, failure to act, negligence, breach of this Agreement or willful misconduct, nor for any liability of yours.

19.3 Indemnification by Us. We shall, during the term of this Agreement only, indemnify you and hold you harmless from and against all damages, losses, claims, expenses and costs (including your attorney and customer costs, travel, investigation and living expenses and witness fees) for which you are held liable or which you incur in the defense of any litigation commenced against you as a direct result of your proper use of the Proprietary Marks in accordance herewith, provided that you have timely notified us of such litigation or threatened litigation. We shall have the right to participate in and to control such litigation or proceeding (including the right to compromise or settle such litigation or proceeding) to the extent that we deem necessary or advisable, and you shall fully cooperate with us and execute such documents and do such acts and things as, in our opinion, may be necessary.

19.4 Indemnification by You. You shall, during the term of this Agreement and after the termination or expiration of this Agreement and in addition to your obligations contained in Article 11 hereof, indemnify us and our officers, directors and employees, and hold them harmless from and against all damages, losses, claims, actions, liability, expenses and costs for which we or they are held liable or which we or they incur (including attorney costs, travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of

(a) a breach by you of this Agreement, or any other lease, agreement or contract to which we and you are parties,

(b) any injury to, or loss of property of, any person relating to your operation of the Business,

(c) your taxes, liabilities, costs or expenses of your Business,

(d) losses, claims or damages incurred by persons, other than you, due to errors or omissions contained in financial statements prepared by you pursuant to Section 4.6 hereof, even if caused by the negligence of us, our employees, agents, contractors, or others for whom we are, in law, responsible,

(e) any negligent or willful act or omission of you, your employees, agents, servants, contractors or others for whom you are, in law, responsible, and

(f) any advertising or promotional material distributed, broadcast or in any way disseminated by you or on your behalf, unless such material has been produced or approved in writing by us.

ARTICLE 20

DISPUTE RESOLUTION

20.1 Mediation and Arbitration

(a) We and you acknowledge that during the term of this Agreement disputes may arise between us that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between us for non-binding mediation at a mutually agreeable

location before commencing an arbitration proceeding under Section 20 1(c) If we and you cannot agree on a location, the mediation will be conducted in Maricopa County, Arizona The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation

(b) If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 20 1(c)

(c) Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Maricopa County, Arizona, under the authority of Arizona Statutes The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Arizona Statutes The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Arizona Statutes The decision of the arbitrator(s) will be final and binding on all parties This Section will survive termination or non-renewal of this Agreement under any circumstances Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement

20 2 Litigation, Waiver of Jury Trial, Limitation of Damages, etc The parties agree that any litigation between you and us (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and us or otherwise, will be held exclusively before a court in the most immediate state or federal judicial district and court encompassing our headquarters and having subject matter jurisdiction, the parties consenting to the exclusive jurisdiction of such court(s)

THE PARTIES AGREE THAT IN ANY LITIGATION BETWEEN US AND YOU (AND/OR ANY PRINCIPAL OF YOURS OR WHICH COULD BE BROUGHT BY YOU OR ON YOUR BEHALF) THE PARTIES KNOWINGLY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ARBITRATION, LITIGATION OR OTHERWISE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES

20 3 Prior Notice of Claims by You. Prior to your taking any legal or other action against us, whether for arbitration, damages, injunctive, equitable or other relief (including but not limited to rescission) and whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise, based on any alleged act or omission of ours, you will first give us sixty (60) days' prior written notice and opportunity to cure such alleged act or omission.

20 4 Periods In Which to Make Claims

(a) The parties agree that, except as provided below, no action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such arbitration proceeding, action or suit before the expiration of the earlier of

(i) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party, or

(ii) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered

(b) Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern

(c) The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent us from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

(d) The foregoing limitations shall not apply to our claims arising from or related to (1) your under-payment or non-payment of any amounts owed to us or any affiliated or otherwise related entity; (2) indemnification by you, (3) your confidentiality, non-competition or other exclusive relationship obligations, and/or (4) your unauthorized use of the Proprietary Marks or the System

20.5 Withholding Consent. In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us

20.6 Survival and Construction. Each provision of this Article 20, together with the provisions of Article 21, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision, provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule, or judicial construction that would have the effect of varying or rendering ineffective any provision of this Agreement

20.7 Costs and Legal Fees. If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage

legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us

20 8 Validity and Execution. This Agreement will become valid when executed and accepted by us at our headquarters

20 9 Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both parties

20 10 Construction. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Except where this Agreement expressly provides otherwise, we have the right to condition, withhold and/or refuse, in our sole and absolute discretion, any request by you and our approval of, or consent to, any action or omission by you. The headings of the several articles and sections hereof are for convenience only and do not define, limit, or construe the contents of such articles or sections. The term "attorneys' fees" will include, without limitation, legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand or claim, action, hearing or proceeding to enforce the obligations of this Agreement. References to a "controlling interest" in you will mean more than fifty percent (50%) of the voting control of you, if you are a corporation or limited liability company, and any general partnership interest, if you are a partnership. The term "Franchisee" as used herein is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time the Franchisee hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us will be joint and several. This Agreement will be executed in multiple copies, each of which will be deemed an original. Each of the provisions of this Article 20 shall apply to any claim brought (or which could be brought) by any principal of yours or by or on your behalf.

20 11 Choice of Laws. Except as provided elsewhere in this Agreement (for example, with regard to the applicability of the Federal Arbitration Act, 9 U.S.C. §1 et seq. and the effect of federal preemption of state law by such Act) and except to the extent governed by the United States Trademark Act and other federal laws, the parties agree that this Agreement (including any claims, counter-claims or otherwise by you) and all other matters concerning the parties will be governed by, and construed and enforced in accordance with, the laws of the State of Arizona.

ARTICLE 21

GENERAL

21 1 Joint and Several. If two (2) or more parties shall sign or be subject to the terms and conditions of this Agreement as Franchisee, the liability of each such party to make the payments to be made and to perform all other obligations to be performed under or pursuant to this Agreement shall be deemed to be joint and several. A breach hereof of one (1) such party or you shall be deemed to be a breach of both or all.

21 2 Rights Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall such right or remedy be deemed to be, exclusive of any other right or remedy herein or by law or equity provided or permitted and each shall be cumulative of every other right or remedy.

21 3 Entire Agreement and Amendments. This Agreement, the Exhibits hereto and any documents incorporated by reference herein, contain the entire understanding and agreement of the parties hereto concerning the subject matter hereof and supersede all prior agreements, understandings,

negotiations and discussions with respect to the subject matter hereof, whether oral or written, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the FDD that was furnished to you by us. Except as provided herein or in the FDD, you acknowledge and agree that there are no warranties, representations, statements, promises or inducements, express or implied, or collateral, whether oral or written, about this Agreement by us or our officers, directors, shareholders, employees or agents that are contrary to the terms of this Agreement or the documents referred to herein. No amendment or other modification to this Agreement shall be valid or binding upon the parties unless the same is in writing.

21.4 Non-Waiver No waiver by us of any breach, failure or default in performance by you and no failure, refusal or neglect of ours to exercise any right hereunder or to insist upon strict compliance with or performance of your obligations hereunder shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach, failure or default and shall not constitute a waiver by us of our rights at any time or thereafter to require strict compliance with the provisions hereof.

21.5 Invalid Provisions, Substitution of Valid Provisions.

(a) As stated earlier in this Agreement, if any provision of this Agreement relating to the payment of fees to us, to non-competition during the term of this Agreement, or to the preservation of any of the Proprietary Marks or confidential information disclosed pursuant to this Agreement is declared invalid or unenforceable, and if, as a result, we believe in our sole opinion that the continuation of this Agreement would not be in the best interests of the System, we have the right to terminate this Agreement on written notice to you. If any state or federal law requires renewal of this Agreement, you agree to enter into our then-current form of Franchise Agreement. To the extent that any restrictive covenant contained in this Agreement is deemed unenforceable because of its scope in terms of area, business activity prohibited, or length of time, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

(b) If any lawful requirement or court order of any jurisdiction (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or (2) makes any provision of this Agreement or any specification, standard or operating procedures prescribed by us invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

21.6 Time of Essence Time shall be of the essence in this Agreement.

21.7 Gender Whenever a personal pronoun is used herein, it is understood that such usage shall include both singular and plural, masculine, feminine and neuter, and refer in appropriate cases to corporations or other legal entities as well as to individuals.

21.8 Notices All notices, consents, approvals, statements, authorizations, documents, or other communications required or permitted to be given hereunder shall be in writing, and may be delivered personally or mailed by registered mail, postage prepaid, or transmitted by facsimile or other form of electronic communication tested prior to transmission to the said parties at their respective addresses set forth hereunder, namely:

To the Franchisor at
The Inside Coup Franchising Company, Inc
5111 North Scottsdale Rd Suite 260,
Scottsdale Arizona 85250
Attn. David Sliman

To the Franchisee at

Attn. _____

or at any such other address or addresses as the party to whom such notice, consent, approval, statement, authorization, documentation or other communication is to be given may designate by notice in writing so given to the other parties hereto as provided hereinbefore. Any notices, consents, approvals, statements, authorizations, documents or other communications, if mailed, shall be deemed to have been given on the fifth (5th) business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or transmitted by facsimile or other form of electronic communication, shall be deemed to have been given on the day of delivery or transmission (as the case may be), if a business day, or if not a business day, on the business day next following the day of delivery or transmission (as the case may be).

21.9 Impossibility of Performance. Notwithstanding anything to the contrary contained in this Agreement, if either party hereto is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labor troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, acts of God or other reasons beyond the control of such party, whether all of a like nature or not, which is not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then the performance of such term, covenant or act is excused for the period of the delay and the party so delayed shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section 21.9 shall not in any way operate to excuse you from the prompt payment of any fees, royalties or other sums required to be paid to us or our affiliates by the terms of this Agreement, or from the prompt performance of any of your other obligations hereunder where such prompt performance is delayed, hindered or prevented by reason of lack of funds.

21.10 Further Assurances. Each of the parties covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgments or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof. You shall, within the time and from time to time forthwith upon our request, provide us with a statutory declaration confirming any matter provided for in this Agreement. You shall, at any time and from time to time forthwith upon our request, provide us with access to your corporate records to confirm your compliance with the terms of this Agreement.

21.11 Enforcement, Injunctive Relief. You acknowledge that your failure to comply herewith could cause us irreparable harm which may not be compensable by way of damages, and, therefore, we shall be entitled to apply to a court of competent jurisdiction to have itself appointed as the receiver of your business and to obtain (without bond) declarations, temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to your use of the Proprietary Marks, relating to your obligations upon termination or expiration of this Agreement, and relating to assignment of the franchise hereunder and ownership interests in you, and to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, by-law or regulation, is dishonest or misleading to your customers or prospective customers, or constitutes a danger to employees, customers, or to the public, or which may impair the goodwill associated with the Proprietary Marks. If we secure any such injunction, declaration or order of specific performance, you agree to pay to us any damages incurred by us as a result of your breach of any provision, our full attorney and customer costs and all

expenses we may have incurred to enforce this Agreement (including a reasonable allowance for our employees' timespent)

21 12 Changes and Modifications to the System.

(a) You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of that 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 programs and services which your Franchised Business is authorized and required to offer, modifying or substituting entirely the specifications which you are required to observe hereunder, and changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions or alterations.

(b) You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

(c) We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

21 13 Compliance with Anti-Terrorism Laws. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or its owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in ARTICLE 12 above.

21 14 Step-In Rights.

(a) If we determine in our sole judgment that the operation of your Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your Business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death, you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Business, or we determine that operational problems require that we operate your Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Business as a going concern.

(b) We shall keep in a separate account all monies generated by the operation of your Business, less the expenses of the Business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right that we may have under this Agreement, including, without limitation, termination pursuant to Article 12 above.

ARTICLE 22

YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22.1 Your Representations You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that

(a) If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Franchised Business.

(b) If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

(c) You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

(d) As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge of any of your officers, directors, principal shareholders, proprietors, partners or owners (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business, your right to operate and use your assets, properties or rights to carry on your business, and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

(e) Neither you nor any of your owners is a party to any contract, agreement, covenant not to compete or other restriction of any type, which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

(f) All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 Acknowledgments You acknowledge, warrant, and represent to us and we rely on such acknowledgments, warranties and representations that

(a) No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Franchised Business, or any other Business owned by us, our affiliates or a franchisee, except as may be included in Item 19 of our FDD. We make no guaranties, promises, representations, statements or warranties that you can or will achieve any level or range of sales, income or other measures of performance (_____ Initials)

(b) No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your anticipated income, earnings and growth or that of us or the System, or the viability of the business opportunity being offered under this Agreement (_____ Initials)

(c) Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees (_____ Initials)

(d) You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisors (if you so elect) of your choosing. You have been advised to consult with your advisors with respect to the legal, financial and

(e) other aspects of this Agreement, the Franchised Business, and the prospects for the Franchised Business. You have either consulted with these advisors or have deliberately declined to do so (_____ Initials)

(f) You have received from us a copy of our FDD, together with a copy of all proposed agreements relating to the sale of the franchise, at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us or our affiliates of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement (_____ Initials)

(g) No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the offering of one or more of the services contemplated to be offered by the Franchised Business (_____ Initials)

(h) You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information (_____ Initials)

(i) Attached to the FDD as Exhibit G is a Franchisor Compliance Questionnaire. You shall have received and answer the questions thereon, relating to representations that have or have not been made to you. You have initialed and executed the Compliance Questionnaire voluntarily and attached it hereto (_____ Initials)

(j) You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement. Whenever we have the right within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you. Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a

covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants to us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder (_____ Initials)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

SIGNED, SEALED AND DELIVERED by the following parties on the date(s) below

FRANCHISEE

**THE INSIDE COUP FRANCHISING
COMPANY, INC**

Signature

Printed Name

Title

Date

Signature

Printed Name

Title

Date

EXHIBIT 1 TO THE FRANCHISE AGREEMENT
FRANCHISEE SPECIFIC INFORMATION

FRANCHISEE NAME (INDIVIDUAL OR ENTITY)	
EFFECTIVE DATE	
FRANCHISEE'S OPERATING PRINCIPAL	
OPERATING PRINCIPAL TELEPHONE NUMBER	
OPERATING PRINCIPAL E-MAIL ADDRESS	
NUMBER OF ZONES INCLUDED IN DESIGNATED TERRITORY	
ZONE(S) IDENTIFICATION NUMBERS	
INITIAL TERRITORY FEE	
FRANCHISOR ADDRESS FOR NOTICES	The Inside Coup Franchising Company, Inc 5111 North Scottsdale Rd Suite 260, Scottsdale, Arizona 85250
FRANCHISEE'S ADDRESS FOR NOTICES	
FRANCHISEE'S AGENT FOR SERVICE OF PROCESS AND ADDRESS	
DESIGNATED TERRITORY FRANCHISEE'S DESIGNATED TERRITORY INCLUDES THE FOLLOWING ZIP CODES (OR OTHER GEOGRAPHIC DESIGNATIONS) Your rights in the Designated Territory are subject to the limitations described in the Franchise Agreement. The Designated Territory is fixed as of the Effective Date of the Franchise Agreement.	
SALES REQUIREMENTS	

FRANCHISEE INITIALS AND DATE

FRANCHISOR INITIALS AND DATE

EXHIBIT 2 TO THE FRANCHISE AGREEMENT
AUTHORIZATION AGREEMENT FOR ELECTRONIC FUNDS TRANSFER

_____(Name of Person or Legal Entity)

_____(ID Number)

The undersigned depositor ("**Depositor**") hereby authorizes The Inside Coup Franchising Company ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Company's instructions

Depository

Branch

City

State

Zip Code

Bank Transit/ABA Number

Account Number

This authorization is to remain in full and force and effect until sixty (60) days after Company has received written notification from Depositor of its termination.

Depositor

By _____

Name _____

Title _____

Date _____

[Please attach a voided check]

**EXHIBIT 3 TO THE FRANCHISE AGREEMENT
INTERNET WEB SITES AND LISTINGS AGREEMENTS**

INTERNET WEB SITES AND LISTING AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing

Agreement") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between The Inside Coup Franchising Company, an Arizona corporation ("Franchisor"), and _____, a _____ (the "Franchisee")

RECITALS

WHEREAS, Franchisee desires to enter into a The Inside Coup Franchise Agreement (the "Franchise Agreement"), and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement,

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

1 **DEFINITIONS** All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof

2 **TRANSFER, APPOINTMENT**

(a) **Interest in Internet Web Sites and Listings** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest")

(b) **Transfer** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all internet service providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs

(c) **Appointment; Power of Attorney** Franchisee hereby constitutes and appoints Franchisor

and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

(i) Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor,

(ii) Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings, and

(iii) Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest

(d) **Certification of Termination** Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated

(e) **Cessation of Obligations** After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement

3 MISCELLANEOUS

(a) **Release** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement

(b) **Indemnification** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor for any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based on this Internet Listing Agreement

(c) No Duty The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

(d) Further Assurances Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

(e) Successors, Assigns, and Affiliates All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

(f) Effect on Other Agreements Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

(g) Survival This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

(h) Joint and Several Obligations All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

(i) Governing Law This Internet Listing Agreement shall be governed by and construed under the laws of the State of Arizona, without regard to the application of Arizona conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE _____

THE INSIDE COUP FRANCHISING
COMPANY, INC.

Signature
Printed Name _____
Title _____
Date _____

Signature
Printed Name _____
Title _____
Date _____

EXHIBIT 4 TO THE FRANCHISE AGREEMENT
TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the ___ day of _____, 20__ (the "Effective Date"), by and between The Inside Coup Franchising Company, an Arizona corporation ("Franchisor"), and

_____, a _____ (the "Franchisee")

RECITALS

WHEREAS, Franchisee desires to enter into a The Inside Coup Franchise Agreement (the "Franchise Agreement"), and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement,

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows

1 DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof

2 TRANSFER, APPOINTMENT

2.1 Interest in Telephone Numbers and Listings Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest")

2.2 Transfer On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs

2.3 Appointment, Power of Attorney Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that

may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2 3 1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor,

2 3 2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings, and

2 3 3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest

2 4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor that the Franchise Agreement has terminated

2 5 Cessation of Obligations After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Telephone Numbers and Listings Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement

3 MISCELLANEOUS

3 1 Release Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement

3 2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, and, or obligations that are related to or are based on this Telephone Listing Agreement

3 3 No Duty The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of

any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings

3 4 Further Assurances Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement

3 5 Successors, Assigns, and Affiliates All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement

3 6 Effect on Other Agreements Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3 7 Survival This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement

3 8 Joint and Several Obligations All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several

3 9 Governing Law This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Arizona, without regard to the application of Arizona conflict of law rules

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date

FRANCHISEE _____

Signature
Printed Name _____
Title _____
Date _____

THE INSIDE COUP FRANCHISING COMPANY, INC

Signature
Printed Name _____
Title _____
Date _____

**EXHIBIT 5 TO THE FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20____, by _____

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by The Inside Coup Franchising Company ("us", "we", or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality and arbitration requirements

Each of the undersigned consents and agrees that (1) his or her direct and immediate liability under this Guaranty will be joint and several, (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person, and (4) this liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation, which any of the undersigned may have against Franchisee arising because of the undersigned's execution of and performance under this Guaranty

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed

GUARANTORS

Printed Name _____
Date _____
Address _____

Printed Name _____
Date _____
Address _____

Printed Name _____
Date _____
Address _____

Printed Name _____
Date _____
Address _____

EXHIBIT 6 TO THE FRANCHISE AGREEMENT
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees, shareholders, officers, directors,
general partners, members and managers of Franchisee)

In consideration of my being a _____ of _____
("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is
acknowledged, I hereby acknowledge and agree that

1 Pursuant to a Franchise Agreement dated _____, 20____ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from The Inside Coup Franchising Company (the "Company") to establish and operate a The Inside Coup business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion.

2 The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which produce a monthly direct mail magazine. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information")

3 All information, knowledge, know-how, and techniques that the Company specifically designates as confidential shall be deemed Confidential Information for purposes of this Agreement

4 As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement

5 I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6 Covenants

(a) **Confidential Information.** During and after the Term, I will not communicate, divulge or use for any purpose other than the operation of your Franchised Business any confidential information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us ("Confidential Information"). I may divulge Confidential Information only to my professional advisers and to my employees who must have access to the information to operate your Franchised Business. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure, or which, at the time of our disclosure to you, had become a part of the public domain. I will require my Operating Principal and key employees and any other person or entity I wish to disclose any Confidential Information to sign agreements, in a form acceptable to the Franchisor, that they will maintain the confidentiality of the disclosed information.

EXHIBIT 6 TO THE FRANCHISE AGREEMENT
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees, shareholders, officers, directors,
general partners, members and managers of Franchisee)

In consideration of my being a _____ of _____
("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is
acknowledged, I hereby acknowledge and agree that

1 Pursuant to a Franchise Agreement dated _____, 20____ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from The Inside Coup Franchising Company (the "Company") to establish and operate a The Inside Coup business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion.

2 The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which produce a monthly direct mail magazine. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information")

3 All information, knowledge, know-how, and techniques that the Company specifically designates as confidential shall be deemed Confidential Information for purposes of this Agreement

4 As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement

5 I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6 Covenants

(a) **Confidential Information.** During and after the Term, I will not communicate, divulge or use for any purpose other than the operation of your Franchised Business any confidential information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us ("Confidential Information"). I may divulge Confidential Information only to my professional advisers and to my employees who must have access to the information to operate your Franchised Business. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure, or which, at the time of our disclosure to you, had become a part of the public domain. I will require my Operating Principal and key employees and any other person or entity I wish to disclose any Confidential Information to sign agreements, in a form acceptable to the Franchisor, that they will maintain the confidentiality of the disclosed information.

(b) I acknowledge and agree that (i) pursuant to this Agreement, I will have access to the Confidential Information, (ii) the System and the opportunities, associations and experience established by us and acquired by me under this Agreement are of substantial and material value, (iii) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (iv) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among our franchisees if our franchisees were permitted to hold interests in "Competitive Businesses" (which are defined as direct mail magazines, newsletters, flyers or publications that include features articles and coupons for local businesses) I acknowledge that restrictions on my right to hold interests in, or perform services for Competitive Businesses will not hinder my activities. I expressly acknowledge that I possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, the enforcement of the restrictions contained in this Section 6 will not deprive me of my personal goodwill or ability to earn a living.

(c) I therefore agree that, during the term of this Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, I will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity

(i) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competitive Business,

(ii) knowingly employ or seek to employ any person then employed by you or employed by any The Inside Coup franchisee as a manager or higher, or otherwise directly or indirectly induce such person to leave his or her employment without your prior written consent, or

(iii) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential customer of a company owned or franchised owned The Inside Coup business to a Competitive Business

(d) **Restricted Period** For purposes of this Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated, provided, however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated, provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated

(e) **Geographical Restrictions** During the term of this Agreement, there is no geographical limitation on the restrictions contained in this Section 6. During the Restricted Period, these restrictions will apply at the location of your Franchised Business, in the Designated Territory, within a 5-mile radius of the outer boundaries of the Designated Territory, within the Designated Territory of any other The Inside Coup business then in operation or for which a franchise agreement has been executed, and within 5 miles of the Designated Territory of any other The Inside Coup business then in operation or for which a franchise agreement has been executed on the later of (i) the date of the termination or expiration of this Agreement, or (ii) the date on which all persons restricted by Section 6 begin to comply with Section 6

(f) **Period of Non-Compliance** If, at any time during the Restricted Period, I fail to comply with my obligations contained in this Section 6, that period of noncompliance will not be credited toward the satisfaction of my obligations under this Section 6. Equity ownership of less than 2% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States

stock exchange will not be deemed to violate this Section 6

(g) **Enforceability** If any restriction in this Section 6 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, I agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

(h) I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

7 The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm, therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

8 This Agreement shall be construed under the laws of the State of Arizona. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By _____

Name _____

Title _____

**EXHIBIT 7 TO THE FRANCHISE AGREEMENT
MULTI-STATE ADDENDUM**

**ADDENDUM TO FRANCHISE AGREEMENT FOR RESIDENTS
OF THE STATE OF CALIFORNIA AND FRANCHISES
THAT WILL BE LOCATED IN CALIFORNIA**

1 Section 4.1 of the Franchise Agreement is amended to state payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

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

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

**ADDENDUM TO FRANCHISE AGREEMENT FOR RESIDENTS
OF THE STATE OF ILLINOIS AND FRANCHISES
THAT WILL BE LOCATED IN ILLINOIS**

1 The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State " This Section of the Act replaces any contradictory language contained in the Franchise Agreement

2 Illinois law governs the Franchise Agreement

3 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987, which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code "

4 Under Illinois law at 200 608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law " The appropriate sections of the Franchise Agreement are amended accordingly

5 Section 20 4 of the Franchise Agreement is amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred

6 Article 12 of the Franchise Agreement is amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

**ADDENDUM TO FRANCHISE AGREEMENT FOR RESIDENTS
OF THE STATE OF MARYLAND AND FRANCHISES
THAT WILL BE LOCATED IN MARYLAND**

The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties

1 The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

2 The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

3 The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

4 The Franchise Agreement and Franchisor Compliance Questionnaire are amended to include the following statement "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 "

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

**ADDENDUM TO FRANCHISE AGREEMENT FOR RESIDENTS
OF THE STATE OF MINNESOTA AND FRANCHISES
THAT WILL BE LOCATED IN MINNESOTA**

1 Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860 4400J which prohibits requiring you to consent to liquidated damages

2 Section 20 2 of the Franchise Agreement is hereby amended to comply with Minn. Rule 2860 4400J which prohibits waiver of a jury trial

3 Section 20 4 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat §80C 17, Subd 5

4 Under Minn. Rule 2860 440J, the franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required The appropriate sections of the Franchise Agreement are hereby amended accordingly

5 With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C 14, Subds 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld

6 Minnesota Statutes, Section 80C 21 and Minnesota Rule 2860 4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7 Minnesota Rule 2860 4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

**ADDENDUM TO FRANCHISE AGREEMENT FOR RESIDENTS
OF THE STATE OF NORTH DAKOTA AND FRANCHISES
THAT WILL BE LOCATED IN NORTH DAKOTA**

1 The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted

2 The provisions of Article 20 of the Franchise Agreement, which require a franchisee to consent to a limitation of claims, are hereby amended to state that the statute of limitations under North Dakota law applies

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____



**ADDENDUM TO FRANCHISE AGREEMENT FOR RESIDENTS
OF THE STATE OF WASHINGTON AND FRANCHISES
THAT WILL BE LOCATED IN WASHINGTON**

1 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

2 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

3 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

4 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

5 The following sentence is added to the end of Section 4 1 of the Franchise Agreement

As a condition of registration in the State of Washington, payment of initial franchise fees will be deferred until franchisor has met all of its pre-opening obligations to franchisee and franchisee has commenced doing business under the Marks This financial assurance requirement was imposed by the Washington Department of Financial Institutions due to franchisor's current financial condition.

6 Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer The undersigned does hereby acknowledge receipt of this addendum

7 Under Washington law, non-compete covenants are enforceable only if they are reasonable and lawful A court of law will determine whether the non-compete covenants in the franchise agreement are enforceable under Washington law

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

**EXHIBIT D TO THE DISCLOSURE DOCUMENT
DEVELOPMENT AGREEMENT**

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT, dated as of the date set forth on the last page of this Agreement, by and between THE INSIDE COUP FRANCHISING, INC., an Arizona corporation ("Franchisor"), and the party identified on the last page of this Agreement ("Franchisee")

RECITALS

A. Franchisor and Franchisee have signed that certain Franchise Agreement, dated as of _____, 2017 (the "Franchise Agreement"), with respect to the operation by Franchisee of a The Inside Coup direct mail magazine business (the "First Business"),

B. Franchisee desires to operate additional The Inside Coup direct mail magazine businesses (the "Subsequent Businesses") within a defined geographic area subject to the development deadlines set forth in this Agreement, and

C. Subject to the terms and conditions of this Agreement, Franchisor is willing to grant Franchisee the option to open the Subsequent Businesses

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the parties agree as follows

1 Grant of Option to Establish Additional The Inside Coup Businesses

(a) Search Territory Subject to and in accordance with the terms of this Agreement, Franchisor grants to Franchisee, and Franchisee accepts, an option to establish and operate _____ additional The Inside Coup Businesses within the following geographical area (the "Search Territory")

(b) No Exclusivity Unless otherwise specified herein, Franchisee's rights in the Search Territory are non-exclusive. Franchisor is free to market, offer, and sell franchises anywhere in the Search Territory and/or to open The Inside Coup Businesses anywhere in the Search Territory. Franchisee may, at any time, execute a Franchise Agreement identifying a Designated Territory. Upon the execution of a Franchise Agreement, Franchisee shall acquire and Franchisor shall award the rights associated therewith.

2 Development Fee for Subsequent Businesses In consideration of the grant of the option to Franchisee to _____ Subsequent Businesses in the Search Territory in a manner consistent with this Agreement, simultaneously with the signing and delivery of this Agreement, Franchisee agrees to pay Franchisor a Development Fee equal to \$_____ per Subsequent Business (the "Development Fee"). Upon execution of a Franchise Agreement with respect to a Designated Territory, the per Subsequent Business Development Fee shall be the applicable Initial Franchise Fee and paid in full upon execution of the Development Agreement.

3 Development Schedule Franchisee and Franchisor agree that the Subsequent Businesses shall be opened in accordance with the following development schedule

Franchisee Business	Franchise Agreement Deadline	Development Deadline

4 Subject to and in accordance with the terms of this Agreement, Franchisee (and his Principals, directors, officers, managers and employees) will sign and deliver to Franchisor, in connection with each Business, a franchise agreement (and such other ancillary agreements and documents as Franchisor may then require in connection with the signing of franchise agreements) in the form then being signed by new franchisees and will be subject to the terms of such franchise agreement (including, without limitation, the royalties, the advertising payments and other fees) The Initial Franchise Fees paid are not refundable and will be used for our general purposes

5 Royalties Unless otherwise provided in this Agreement, the Royalties payable in conjunction with each of your Franchise Agreements and each Subsequent Businesses will be set forth in the Franchise Agreement executed in conjunction with each Franchise Agreement

6 Notwithstanding anything contained in this Agreement to the contrary, Franchisor may refuse to grant Franchisee a franchise or sign a franchise agreement or to allow Franchisee to open a Subsequent Business contemplated by this Agreement due to Franchisee's failure to satisfy (in Franchisor's sole discretion) all of the conditions set forth in Section 7 of this Agreement In such event, any Development Fee paid to Franchisor with respect to the Subsequent Business will not be refunded to Franchisee

7 Conditions to Establishing Additional The Inside Coup Businesses Franchisee acknowledges and agrees that it is critical for Franchisor to protect the Proprietary Marks and to maintain a high quality of services and products provided under the Proprietary Marks Accordingly, Franchisee acknowledges that Franchisor has a significant interest in granting franchises only to persons who operate their The Inside Coup Businesses in accordance with the highest integrity and operational excellence, and agrees that Franchisee's right to establish and operate the Units will be subject to the satisfaction (in Franchisor's sole discretion) of each of the following conditions

(a) Franchisee must sign a franchise agreement with respect to each Subsequent Business by the Franchise Agreement Deadline,

(b) At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Business, Franchisee (and his Affiliates and their respective Principals, directors, officers, managers and employees) must not be in breach of his (or their) obligations under, or related to, this Agreement, any franchise agreement or any other agreement with Franchisor or its Affiliates, and no fact or condition exists that, with the passage of time or the giving of notice, would constitute a breach,

(c) At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Business, (i) all The Inside Coup Businesses operated by Franchisee (and all of his Affiliates) must be in full compliance with all operational and other requirements, rules and policies contained in Franchisor's Operation Manual and (ii) Franchisee must qualify (in Franchisor's sole discretion) for acceptance as a

franchisee under Franchisor's then-current qualifications (including, without limitation, financial qualifications) for franchisees,

(d) Franchisee (and his Principals, directors, officers, managers and employees) signs and delivers to Franchisor, in connection with any such Subsequent Business, the franchise agreement (and such other ancillary agreements and documents as Franchisor may then require in connection with the signing of franchise agreements) in the form then being signed by new franchisees and will be subject to the terms of such franchise agreement (including, without limitation, the royalties, the advertising payments and other fees,

(e) At the time that Franchisee seeks to sign a franchise agreement with respect to a Subsequent Business, Franchisee must sign a general release of Franchisor and its Affiliates, in the form attached hereto as Exhibit 2, or in such other form as Franchisor may then require, and

(f) Franchisee must open each Subsequent Business by the Development Deadline listed above with respect to each Subsequent Business

(g) Franchisee agrees that if Franchisee fails to satisfy (in Franchisor's sole discretion) each of the above conditions, Franchisee will not be entitled to establish or operate the additional The Inside Coup Businesses contemplated by this Agreement and that Franchisor will not be obligated to grant Franchisee any additional franchises or sign any additional franchise agreements with Franchisee, provided, however, that Franchisee's rights with respect to Subsequent Businesses to which both Franchisee and Franchisor have previously signed franchise agreements will not be subject to the terms of this Section 7, but will be subject to the terms of those franchise agreements

8 Location of Subsequent Businesses

(a) Franchisee must establish and operate each Subsequent Business within the Search Territory, subject to the approval of that location by Franchisor, which approval may not be unreasonably withheld

(b) Notwithstanding anything contained in this Agreement to the contrary, including, without limitation, Section 8(b)

(i) Franchisor and/or its Affiliates may market, directly or indirectly, services and/or products (including, without limitation, identical, similar or other services and products) under the Proprietary Marks (or under other trademarks) through channels of distribution other than The Inside Coup Businesses, including the Internet

(ii) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under the Proprietary Marks (or under other trademarks) or otherwise on the Internet. Franchisee may not market The Inside Coup Businesses or use the Proprietary Marks on the Internet

(iii) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under the Proprietary Marks (or under other trademarks) outside of the Search Territory

(iv) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under trademarks other than the Proprietary Marks within the Search Territory

(c) Franchisor is free to market, offer, and sell franchises anywhere in the Search Territory and Franchisee's rights with respect to a specific Designated Territory (as such term is defined in the Franchise Agreement) shall not be applicable until and unless Franchisee executes a Franchise Agreement that specifies the Designated Territory and, in such instance, Franchisee's rights shall be limited to the Designated Territory and limited to those rights set forth in the applicable Franchise Agreement

(d) Franchisee acknowledges that Franchisor presently intends to develop Franchised Businesses (including franchised and company-owned Businesses) throughout the United States and perhaps internationally and that one or more future Franchised Businesses (including franchised and company-owned Businesses) may have an adverse effect on the revenues and profitability of existing Franchised Businesses, including Franchisee's Franchised Businesses. Franchisee further acknowledges that Franchisor has not made any representation or agreement, or provided Franchisee any assurance, that future Franchised Business (including franchised and company-owned units) would adversely affect the revenues and profitability of Franchisee's Franchised Businesses

9 Termination. This Agreement will terminate upon the earlier of

(a) The date of the last Development Deadline specified in Section 3 of this Agreement,

(b) The Insolvency of Franchisee or Franchisor,

(c) The breach by Franchisee or Franchisor (or any of his Affiliates) of any of his (or their) obligations under, or related to, this Agreement, any franchise agreement or any other agreement with Franchisor or its Affiliates, and

(d) The date on which any franchise agreement previously signed by Franchisee (or any of his Affiliates) and Franchisor, or any other agreement between Franchisee (or any of his Affiliates) and Franchisor (or any of its Affiliates), is terminated

10 Provisions. Each provision, condition, and term of this Agreement is material, and a breach or violation of any of them will constitute a default of that party's obligations under this Agreement

11 Definitions. All capitalized terms used, but not defined, in this Agreement have the meanings given them in the Franchise Agreement

12 Notices. All communications or notices required or permitted to be given or served under this Agreement must be in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or (c) emailed, and addressed to the email address set forth on the last page of this Agreement. All communications and notices will be effective upon delivery in person or by courier to the address set forth in this Agreement, upon being deposited in the United States mail in the manner set forth above or upon receiving an email in the manner set forth above. Any party may change his, her, or its address or email address by giving notice in writing, stating his, her, or its new address, to the other party to this Agreement as provided in the foregoing manner

13 Transfers, Successors and Assigns.

(a) Notwithstanding anything contained in this Agreement, or in any other agreement, to the contrary, Franchisee may not assign or otherwise transfer, by operation of law or otherwise, his rights under this Agreement without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole discretion. Any transfer of an equity interest in Franchisee, by operation of law or

otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer of the Franchised Business in violation of this Section 13. Any attempt by Franchisee to assign his rights under this Agreement without Franchisor's prior written consent will be void.

(b) Notwithstanding anything contained in this Agreement to the contrary, Franchisor may assign its rights under this Agreement, or delegate any of its obligations hereunder, without the consent of Franchisee or any other person.

(c) Subject to Section 13(a) of this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective assigns, legal representatives, executors, heirs and successors.

14 Amendment, Modification or Waiver

(a) Except as stated in this Agreement, no amendment, modification, or waiver of any condition, provision, or term of this Agreement will be valid or of any effect unless made in writing, signed by the parties and specifying with particularity the nature and extent of the amendment, modification, or waiver.

(b) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of his, her, or its rights under this Agreement. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

15 Entire Agreement. This Agreement, including the exhibits, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the exhibits are incorporated in this Agreement by this reference and constitutes a part of this Agreement. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and amendments.

16 Terminology. All captions, headings or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

17 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

18 Arizona Law to Govern, Jurisdiction, Right to Jury Trial and Class Action Waived, Certain Damages Waived.

(a) This Agreement will be governed by, and construed and enforced in accordance with, the law of Arizona, regardless of any conflict-of-law provisions to the contrary; provided, however, that any law of the State of Arizona that regulates the offer or sale of franchises or business opportunities, or governs the relationship between a franchisor and its franchisees, will not apply unless its jurisdictional requirements are met independently without reference to this Section.

(b) Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in Maricopa County, Arizona, and each party consents to the jurisdiction of those courts

(c) Franchisee hereby waives the right to a jury trial, waives the right to initiate or participate in a class action in any forum, and waives the right to seek or collect punitive, consequential, and special damages in any forum.

19 Attorneys' Fees. In the event of any claim, controversy or dispute arising out of or relating to this Agreement, or the breach thereof, the prevailing party may recover reasonable attorneys' fees incurred in connection with any proceeding

20 Construction. The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement and that each of them and his, her or its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or any exhibits hereto or thereto

21 Additional Actions Each party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement

22 Computation of Time Whenever the last day for the exercise of any privilege or discharge of any duty under this Agreement falls upon Saturday, Sunday or any legal holiday under Arizona law, the party having that privilege or duty will have until 5 00 p m Phoenix, Arizona time, on the next succeeding regular business day to exercise that privilege or to discharge that duty

23 Currency Unless otherwise directed by Franchisor in writing, all amounts contemplated by this Agreement will be paid in United States Dollars and deposited in the bank account specified by the recipient. Computation of any amounts to be paid which require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange

24 Authority Any individual signing below on behalf of a corporation, partnership, Limited Liability Company or other entity personally represents that he has full authority to bind the party or parties on whose behalf he is signing

25 Terrorist and Money Laundering Activities Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U S Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U S Patriot Act (text currently available at www.epic.org/privacy/terrorism/hr3162.html), U S Executive Order 13224 (text currently available at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government. Franchisee further agrees that he will immediately notify Franchisor of

the occurrence of any event, or the development of any circumstances, that might render any of the foregoing representations or warranties to be false, inaccurate, or misleading

26 Acknowledgement of Franchisee Franchisee acknowledges that, except as expressly set forth in the Disclosure Document delivered to Franchisee, neither Franchisor, nor anyone acting on behalf of Franchisor, has made any claims or representations whatsoever regarding potential sales, profits or earnings achievable by Franchisee in connection with the conduct of the Franchised Business at the Units. Franchisee acknowledges that he has been informed and he understands that the successful operation of the Franchised Business at the Units will depend primarily upon the efforts, capabilities and management skills of Franchisee and general economic conditions and trends, and that he cannot rely upon the information set forth in the Disclosure Document as representations or warranties of the results that will be achieved by Franchisee in connection with his operation of the Franchised Business at the Units. Franchisee acknowledges and confirms that he has selected, or will select, the premises on which the Franchised Business at the Units will be established and operated by him, and that the decision to establish and operate the Franchised Business at the Units in those premises was, or will be, made solely by him, without any reliance upon any information provided (if any), recommendation made (if any) or approval given (if any) by Franchisor, its Affiliates or any of their respective shareholders, directors, officers, employees, representatives or agents. Franchisee accepts full responsibility for the consequences of his decision.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed, as of _____

THE INSIDE COUP FRANCHISING, INC

FRANCHISEE

By _____

By _____

Name David Sliman

Name _____

Title President

Title _____

Address 5111 North Scottsdale Rd Suite 260,
Scottsdale, Arizona 85250

Address _____

EXHIBIT 1 TO DEVELOPMENT AGREEMENT

INFORMATION SHEET

If Franchisee is any entity, identify

Name of Entity _____

Type of entity _____

State of organization _____

Title of signatory _____

If an individual, identify state of residence and domicile _____

Address _____

Email Address _____

Person who will supervise the Franchised Business _____

Address _____

Email Address _____

Telephone Numbers

(H) _____

(O) _____

(C) _____

Principals of Franchisee (Shareholders, Partners, Members, Etc --Total MUST equal 100%)

Name

% Ownership

**EXHIBIT 2 TO DEVELOPMENT AGREEMENT
RELEASE**

A. THE INSIDE COUP FRANCHISING, INC , an Arizona corporation ("Franchisor"), and the undersigned ("Franchisee"), or one or more of Franchisee's Affiliates (as defined below) have signed the following Franchise Agreements (collectively, the "Franchise Agreements")

<u>Franchisee/Affiliate</u>	<u>Date</u>	<u>Unit #</u>	<u>Location</u>

B Franchisor and Franchisee have signed that certain Development Agreement, dated as of _____ (the "Development Agreement"), pursuant to which Franchisor has granted Franchisee an option to establish and operate additional The Inside Coup Businesses

C One of the conditions precedent to Franchisee's right to establish and operate the additional The Inside Coup Businesses is the signing and delivery by Franchisee of a general release of Franchisor and its Affiliates

D Franchisee or one of his Affiliates desires to establish and operate an additional The Inside Coup Businesses and to exercise its rights under the Development Agreement in connection therewith

AGREEMENT

IN CONSIDERATION OF Franchisor's agreeing to grant Franchisee or one of his Affiliates, a franchise to establish and operate a The Inside Coup Business in accordance with the Development Agreement, and for other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged

1 Franchisee, on behalf of Franchisee and his Affiliates and their respective shareholders, members, directors, officers, employees, representatives and agents (collectively, the "Franchisee Parties"), hereby releases, discharges and acquits Franchisor and Sublessor and their Affiliates and their respective shareholders, members, directors, employees, representative and agents (collectively, the "Franchisor Parties") for, from and against any and all claims, demands and causes of action (whether now existing or hereafter arising, known or unknown) that any of the Franchisee Parties now has or may in the future have against any of the Franchisor Parties that resulted, result or may result from, arise out of or relate to the Franchise Agreements, offering and sale of The Inside Coup Business franchise thereby, the establishment and operation of the Franchisee Parties' The Inside Coup Businesses and/or the relationship among the Franchisor Parties and the Franchisee Parties in connection with any of the foregoing

2 For purposes of this Release, the term "Affiliate" means any person or entity controlling, controlled, by, or under common control with another person or entity

EXECUTED as of the date first set forth above

[Name of Franchisee]

By _____

Name _____

Title _____

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR RESIDENTS
OF THE STATE OF ILLINOIS AND FRANCHISES
THAT WILL BE LOCATED IN ILLINOIS**

1 The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement

2 Illinois law governs the Development Agreement

3 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987, which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4 Under Illinois law at 200 608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law." The appropriate sections of the Development Agreement are amended accordingly.

5 FRANCHISOR MAY SOLICIT, OFFER, AND SELL SERVICES TO "NATIONAL ACCOUNTS" THAT HAVE OPERATIONS IN YOUR TERRITORY. IF A NATIONAL ACCOUNT PUBLISHES AN AD IN YOUR MAGAZINE, YOU MUST PAY FRANCHISOR A ROYALTY FEE AND A REFERRAL FEE EQUAL TO 10% OF THE GROSS REVENUES GENERATED BY THAT NATIONAL ACCOUNT AD IN YOUR MAGAZINE.

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

**ADDENDUM TO DEVELOPMENT AGREEMENT FOR RESIDENTS
OF THE STATE OF WASHINGTON AND FRANCHISES
THAT WILL BE LOCATED IN WASHINGTON**

1 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

2 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

3 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

4 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

5 Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer The undersigned does hereby acknowledge receipt of this addendum

6 The following sentence is added to the end of Section 2 of the Development Agreement

As a condition of registration in the State of Washington, payment of Development Fees with respect to individual The Inside Coup franchisees will be deferred until franchisor has met all of its pre-opening obligations to franchisee and franchisee has commenced doing business under the marks with respect to the applicable The Inside Coup Franchised Business Development Fees will be paid with respect to a particular franchise when that business is opened This financial assurance requirement was imposed by the Washington Department of Financial Institutions due to franchisor's current financial condition

THE INSIDE COUP FRANCHISING
COMPANY, INC

FRANCHISEE

By _____
Name _____
Title _____

By _____
Name _____
Title _____

EXHIBIT E
FRANCHISE LISTS

The Inside Coup Franchisees as of 12/31/2018

State	Contact Information
Arizona	Mark Dawson 10610 Voax Drive, Sun Lakes, AZ 85248 602-489-3903 mdawson@theinsidecoup.com
Arizona	Kirk Hanrahan 19801 N 59 th Avenue, #11868 Glendale, Arizona 85318 Kirkh@theinsidecoup.com 602-812-1222
Arizona	Jeff Meyer, Matt Johnson, Nick Howard 60 E Rio Salado Parkway, Suite 9102, Tempe, Arizona 85281 480-788-2509 jeffm@theinsidecoup.com
Arizona	Travis Renner 2839 E Sandy Court, Gilbert, Arizona 85297 travisr@theinsidecoup.com 480-206-8778
California	Mike and Tricia Yee 24832 Largo Dr, Laguna Hills, CA 92653 tyee@theinsidecoup.com myee@theinsidecoup.com 949-922-3121 714-904-3959
Florida	Jesse and Jennifer Adams 26686 Little John Court, #76, Bonita Springs, FL 34135 jessea@theinsidecoup.com 239-298-0701
Florida	Steve and Kathy Frink (began operating in 2019) 2225 A1A South St., Augustine Beach, FL 32080 sfrink@theinsidecoup.com kfrink@theinsidecoup.com 904.342 5496 903 349 6005
Georgia	Jay and Sallie Lee (began operating in 2019) 157 Reserve Dr, Piedmont, SC 29673 jlee@theinsidecoup.com 864.386.2652
Michigan	William Radebaugh 5193 Vinings Blvd., Dublin, OH 43016 bradabaugh@theinsidecoup.com 614-843-4567
Ohio	William Radenbaugh 5193 Vinings Boulevard, Dublin, Ohio 43016 bradebaugh@theinsidecoup.com 614-843-4567
Texas	Kevin Wilmore 11823 Harrisburg Drive, Frisco TX 75035 kwilmore@theinsidecoup.com 505-553-0676
Texas	Mike Fay 4 Hazelwood Court, San Antonio, Texas 78257 Mfay@theinsidecoup.com 210-551-6784

Franchisees whose Franchise Agreements were terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year

State	Contact Information
Texas	Whit Barr 12601 Grimes Ranch Court, Austin, TX 78732 Wbarr@theinsidecoup.com 512-761-9908

Franchisees that signed a Franchise Agreement but did not open as of December 31, 2018

State	Contact Information
California	Nikki Nixon 507 ½ Narcissus Ave, Corona Del Mar, CA 92625 nnixon@theinsidecoup.com 949-771-4833
North Carolina South Carolina Tennessee Virginia	Jay and Sallie Lee 157 Reserve Dr , Piedmont, SC 29673 jlee@theinsidecoup.com 864.386.2652
Texas	Bruce and Tami Stewart 4150 Springhill Estates Drive, Parker Texas, 75002 bstewart@theinsidecoup.com 214-693-2370

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT
FRANCHISOR COMPLIANCE QUESTIONNAIRE**

As you know, The Inside Coup Franchising, Inc. and you are preparing to enter into a Franchise Agreement for the operation of one or more Inside Coup direct mail magazine businesses. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make because of the purchase and operation of your franchise.

You must sign and date this Questionnaire the same day that you sign the Franchise Agreement. You cannot sign or date this Questionnaire the same day as the Receipt for the Disclosure Document.

Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

	Question	Yes	No
1	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
2	Have you received and personally reviewed the Development Agreement and each exhibit or schedule attached to it?		
3	Have you received and personally reviewed the Disclosure Document we provided?		
4	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
5	What is the date you received the Disclosure Document?		
6	Do you understand all of the information contained in the Disclosure Document, all of the terms of the Franchise Agreement, and all of the terms of the Development Agreement?		
7	Have you reviewed the Disclosure Document, Franchise Agreement, and Development Agreement with a lawyer, accountant, or other professional advisor?		
8	If you answer to Question No. 7 is "No," do you need more time to have these documents reviewed by your lawyer, accountant or other professional advisors?		
9	Have you discussed the benefits and risks of developing and operating The Inside Coup Businesses with existing The Inside Coup franchisees?		
10	If you answer to Question No. 9 is "No," do you desire more time to discuss the risks of developing and operating The Inside Coup Businesses with existing The Inside Coup franchisees?		
11	Do you understand the risks of developing and operating The Inside Coup franchises?		
12	Do you understand that the success or failure of your The Inside Coup will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
13	Do you understand that, subject to applicable state law, any applicable mediation, arbitration, or litigation must take place in Arizona?		
14	Do you agree that no employee or other person speaking on our behalf has made any statement or promise regarding the costs involved in operating The Inside Coups, or otherwise, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?		
15	Do you agree that no employee or other person speaking on our behalf has made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn or the total		

	Question	Yes	No
	amount of revenue The Inside Coup will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?		
16	Do you acknowledge and certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is (i) a person or entity identified by Executive Order 13224 or the USA PATRIOT ACT., (ii) a person or entity otherwise determined by Executive Order 13224 to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism, (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or (iv) owned or controlled by terrorists or sponsors of terrorism?		
17	Do you understand that the Franchise Agreement and the exhibits to the Franchise Agreement, the Development Agreement and the exhibits to the Development Agreement, and the Disclosure Document contain the entire agreement between us and you concerning your purchase of The Inside Coup franchises and that any oral or written statements, if any, not contained in the Franchise Agreement or Disclosure Document will not be binding?		

Is there any additional information that you would like to provide us with respect to the questions and answers above? (Please provide additional sheets of paper if necessary)

THE UNDERSIGNED UNDERSTANDS THAT HIS ANSWERS ARE IMPORTANT TO THE INSIDE COUP FRANCHISING, INC AND THAT IT WILL RELY ON THEM BY SIGNING THIS QUESTIONNAIRE, THE UNDERSIGNED REPRESENTS AND WARRANTS THAT HE HAS CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO EACH OF THE ABOVE QUESTIONS

EXECUTED as of _____ day of _____,
20__

FRANCHISEE

By _____
Name _____
Title _____

INDIVIDUAL MEMBERS OF FRANCHISEE (IF FRANCHISEE IS AN ENTITY)

By _____
Name _____
Date _____

By _____
Name _____
Date _____

By _____
Name _____
Date _____

By _____
Name _____
Date _____

EXHIBIT H TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

the inside coup®
Operations Manual

Table of Contents

Section 1 Introduction	5
Welcome from the Founder	7
About <i>The Inside Coup</i> ®	8
Disclaimer	8
The Roles (of the Franchisor and Franchisee)	9
Your Corporate Office Team	10
Section 2 Onboarding	15
Countdown to your First Issue	17
Franchisee Setup Checklist	18
Technology Requirements	20
Setting up Territory – IT Department	21
1 st Year Franchise Kickoff and Benchmarks	23
Pre-Training Onboarding Checklist	25
Section 3 The Inside Coup University Sales Training	26
Jump-start Training Program	28
The Sales Process	29
Certification In-Office Sales Training	30
2019 Inside Coup University Franchise Training Schedule	31
Day 1 Agenda, The Inside Coup® University	32
Prospecting	33
Manila Folder Technique	38
ABBYBCR.com Card Reader	38
Prospecting Script 101 (In-Person)	39
Telephone Script	40
Top 6 Prospecting Objections	41
Universal Rebuttal	42
Appointment Setting Objection/Rebuttals	43
Email Follow-up	44
Media Kit	46
LinkedIn Prospecting	50
Less Annoying CRM Training	52
Plan your Strategy Calendar	55
The Inside Coup® National Partner List	56
Competitors	57
Day 2 Agenda, The Inside Coup® University	66
Marketing	67
Myincoup.com	67
Step 1 Before Appointment and Warm-up	68
Step 2 The Power of Direct Mail	70
Step 3 The Benefits of The Inside Coup® Magazine	71
Ad Options	72
Front Cover Guidelines	74
Day 3 Agenda, The Inside Coup® University Agenda	76
Step 4 Target Your Market	77
Interactive Digital Mapping System	78
Zone Adjustments	78
Step 5 www.getyourcoup-on.com	81
Step 6 Pricing	82
Enrollment Pricing and Term Discounting	84
REM Guideline	85
Objections	86
Closing Techniques	87
Project Managers/Ad Design Team	91
Return on Investment Formula	92
Design Manual	93
Day 4 Agenda, The Inside Coup® University	102
Writing an Enrollment Agreement - Script	103
Enrollment Form	104

Clearance Request and Cross Sales.	105
Cross Selling	107
Zone Protection and Cross Selling Definitions	109
Cross Sale Rates	113
Corporate Insertion Order	115
Administration Packages.	117
Day 5 Agenda, The Inside Coup® University	119
Section 4 Field Training	123
Day 1 Goal Setting & Cold Calling	126
Day 2 Setting Appointments, Follow-up	129
Day 3-4 Appointment Presentations.	131
Day 5 Follow-up, Goal Review	133
Section 5 Hiring Toolkit	137
Franchisee Role Responsibility	139
Employee Training Expectations	140
Employee Hiring Tool Kit	141
New Hire Checklist	142
Employment Ad Samples	143
Suggested Interview Process	154
Sample Interview Questions	155
Sample Pay Structure (Sales Rep)	158
Sample Employment Agreement	160
Sample Contractor Agreement	165
Section 6 Daily Operations	173
Ad Menu of Enrollment Offerings	175
Premium Placement Pages	176
Index Page	176
Page Spreads	178
Remnant Page – REM	179
The Enrollment Agreement and Change Orders	180
Design & Production	181
Layout Guide	182
Ad Approval Process – Project Managers	183
Customer Supplied Ads – CSA	184
Ad Review & Approval	185
2019 Deadlines	188
Deadline Schedule	189
Section 7 Intracoup® Software	191
The Intracoup	193
Dashboard	194
Zones and Pages Available	195
DAL Postcard Sold	196
Ads Up for Renewal	197
Ad Pages by Zone & Month	198
New Accounts	199
Accounts	200
Create an Account	201
View Accounts	202
Edit Accounts	203
Delete Accounts	204
Ad Enrollment	205
Create an Ad	206
Manage Ads	212
Delete an ad	214
Edit an Ad	215
Reports	217
Section 8 Forms	227
Use of Approved Forms and Tools	229
Magazine Enrollment Form	230
Layout Guide	231

Change Order Form	232
Inactive Form	233
Section 9 Administrative	235
Accounting Consultant Program	237
QuickBooks Set Up	238
Administration Support Packages	241
Receivables Package Detail	244
Payment Process Sample	245
Monthly Reporting of Sales	246
Profit and Loss Statements	246
Production Costs and Royalty/Marketing Fees	247
Covered Marketing Rate Card	248
The Inside Coupe® Layout Party Proofing and Upload Instructions	249
Receiving Your Magazines (Shipping)	251
Troubleshooting	252
Compliance with System Standards and Operations Manual	253

EXHIBIT I TO THE DISCLOSURE DOCUMENT
GENERAL RELEASE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__ by and between The Inside Coup Franchising Company, an Arizona corporation having its principal place of business located at 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250 (the "Franchisor"), and _____ a _____ with a principal address at _____ hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows

1 Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs, and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2 Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm, or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

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

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

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

6 This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original

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

RELEASOR

In the presence of

Signature
Printed Name _____
Date _____

Witness
Name _____
Title _____
Date _____

**THE INSIDE COUP FRANCHISING
COMPANY, INC.**

In the presence of

Signature
Printed Name _____
Title _____
Date _____

Witness
Name _____
Title _____
Date _____

EXHIBIT J
RECEIPT PAGES

(RETURN ONE COPY TO US)

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 The Inside Coup Franchising Company offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York, Michigan and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If The Inside Coup Franchising Company does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is The Inside Coup Franchising Company, Inc. located at 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250. Its telephone number is 602 595 6550.

Franchisor authorizes the respective agencies identified on Exhibit A to receive service of process for it in the particular state.

Issuance date: April 10, 2019

The name, principal business address, and telephone number for the franchise seller for this offering is David Sliman, 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250 and

I have received a disclosure document dated April 10, 2019 that included the following Exhibits:

A – State Agencies/Agents for Service of Process	F – Financial Statements
B – Multi-State Addendum	G – Franchisee Disclosure Acknowledgment Statement
C – Franchise Agreement	H – Table of Contents-Confidential Operations Manual
D – Development Agreement	I – Form of General Release
E – Franchisee Lists	J – Receipt

Date of Receipt _____

Print Name _____

Company Name _____

Telephone Number _____

Signature _____

Street Address _____

City, State _____ Zip Code _____

EXHIBIT J
RECEIPT PAGES

(RETURN ONE COPY TO US)

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 The Inside Coup Franchising Company offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York, Michigan and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If The Inside Coup Franchising Company does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is The Inside Coup Franchising Company, Inc. located at 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250. Its telephone number is 602 595 6550.

Franchisor authorizes the respective agencies identified on Exhibit A to receive service of process for it in the particular state.

Issuance date: April 10, 2019

The name, principal business address and telephone number for the franchise seller for this offering is David Sliman, 5111 North Scottsdale Rd Suite 260, Scottsdale Arizona 85250 and

I have received a disclosure document dated April 10, 2019 that included the following Exhibits:

A – State Agencies/Agents for Service of Process	F – Financial Statements
B – Multi-State Addendum	G – Franchisee Disclosure Acknowledgment Statement
C – Franchise Agreement	H – Table of Contents for Confidential Operations Manual
D – Development Agreement	I – Form of General Release
E – Franchisee Lists	J – Receipt

Date of Receipt _____

Print Name _____

Signature _____

Company Name _____

Street Address _____

Telephone Number _____

City, State _____ Zip Code _____