

12.11 Successors and Assigns. Except as expressly otherwise provided herein (including the transfer provisions herein), this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and assigns.

12.12 Severability. Except as otherwise provided herein, each term and provision of this Agreement shall be considered severable. In the event any one or more provisions of this Agreement or of any instrument or other document delivered pursuant hereto or in connection herewith shall for any reason be duly held to be invalid, illegal or enforceable, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement or any other instrument or documents, and this Agreement and such other instruments and documents shall be interpreted and construed as if such invalid, illegal or unenforceable provisions had never been contained therein.

12.13 Force Majeure. If performance by Franchisor of any of its obligations hereunder is prevented or delayed by any cause beyond the control of Franchisor, Franchisor's performance to the extent it is so prevented or delayed shall be excused.

**12.14 Governing Law. All arbitration matters shall be governed by the Federal Arbitration Act and, except as otherwise specifically set forth in this Agreement including, without limitation, the provisions of Section 8.11 of this Agreement, or except to the extent governed by the United States Trademark Act of 1946 or other federal law, this Agreement has been executed and delivered in, and shall be governed by and construed and enforced in accordance with the laws of the State of Georgia, which laws shall prevail in the event of any conflict of law; provided, however, (i) that the application of such law shall not abrogate or reduce any rights of Franchisee provided for under the existing laws of any other jurisdiction which by their express terms apply and supersede Georgia law and (ii) any state law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section. The parties agree that this Agreement was entered into in the State of Georgia and that substantial performance of all obligations hereunder was rendered in Georgia and that there is a regular stream of business activity between the Franchisee and the Franchisor from and into the State of Georgia. Franchisee and Franchisor agree that to the extent any legal action or proceeding arising out of or relating to this Agreement and not subject to arbitration pursuant to Section 11.2 hereof, all such actions or proceedings shall be held before a court in the most immediate state judicial district and court encompassing Franchisor's headquarters and having subject matter jurisdiction thereof or the United States District Court encompassing Franchisor's headquarters, as Franchisor may elect. Accordingly, the Franchisee hereby irrevocably accepts and submits generally and unconditionally, for itself and with respect to its property, to the jurisdiction of any such courts in any such action or proceeding and hereby waives, to the extent permitted by applicable law, defenses based on jurisdiction, venue or forum non conveniens. The provisions of this Section 12.14 shall be self-executing and shall remain in full force and effect after expiration or termination of this Agreement.**

12.15 Limitation on Certain Liability. Under no circumstances shall any officer, director, employee, agent, representative, or affiliate of the Franchisor incur any personal liability as a result of Franchisor's actions or inactions in connection with this Agreement. Franchisee shall look only to the assets of the Franchisor in its efforts to recover damages to which it may be entitled under this Agreement. In no event will Franchisor be liable to Franchisee for punitive damages in any action arising out of or relating to this Agreement, or any breach, termination, cancellation or non-renewal of this Agreement.

12.16 Time of Performance. Time is of the essence of this Agreement with respect to each and every provision for which time is a factor.

12.17 Interest. Franchisee will pay Franchisor interest on amounts not paid on time at a rate of 1.0% per month or portion of a month, but not more than the maximum interest rate permitted by applicable law.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the undersigned have hereunder set their hands and seals as of the Effective Date set forth on Schedule A.

FRANCHISEE:

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

[OR]

\_\_\_\_\_  
Corporate Name, Partnership or Limited  
Liability Company

By: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISOR:

~~THE SPORTS SECTION, INC.~~  
TSS PHOTOGRAPHY, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

OWNERS (SHAREHOLDERS/PARTNERS/  
MEMBERS):

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

**SCHEDULE A**  
**TO**  
**~~THE SPORTS SECTION, INC.~~**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**

**TERRITORY, FRANCHISEE INFORMATION, AND PLAN SELECTED**

**TERRITORY, FRANCHISEE INFORMATION, AND PLAN SELECTED**

Effective Date of Franchise Agreement: \_\_\_\_\_, 20\_\_\_\_

Territory:

The Franchisee's Territory shall be all that area within:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

as the borders of such Territory are configured as of the Effective Date of the Franchise Agreement.

Estimated Population in Territory: \_\_\_\_\_

Address and Telephone No. of Franchisor: 2150 Boggs Road, Suite 200  
Duluth, Georgia 30096  
(678) 740-0800

Address and Telephone No. of Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Plan Selected by Franchisee: Plan \_\_\_\_\_. In addition to the rights specified in this Agreement, Franchisee shall have the rights specified on Schedule D hereto with respect to the Plan selected.

Initial Franchise Fee: \_\_\_\_\_

Per Diem Consultation Fee: \_\_\_\_\_

Transfer Fee: \_\_\_\_\_

Form of Franchisee (circle one): (i) corporation; (ii) partnership; (iii) limited liability company; (iv) sole proprietorship; or (v) other (describe) \_\_\_\_\_.

Names and addresses of all shareholders, partners, members, or other equityholders of Franchisee:

Names and Addresses	Percentage of Equity Held
_____ _____ _____ _____	_____%
_____ _____ _____ _____	_____%
_____ _____ _____ _____	_____%
_____ _____ _____ _____	_____%

**SCHEDULE B**  
**TO**  
**~~THE SPORTS SECTION, INC.~~**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**

**STATE ADDENDUM**

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA**

~~The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination and non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control. We may not terminate your Franchise except for good cause, and we must give you a notice of default and a reasonable opportunity to cure the defects (except for certain defects specified in the statute, for which no opportunity to cure is required by law). The statute also requires that we give you notice of any intention not to renew your Franchise at least 180 days before expiration of the Franchise Agreement.~~

~~With respect to Item 5, you do not have to pay any initial franchise fees that you would otherwise be required to pay, until we have met all the obligations we owe you prior to your opening and you have commenced doing business. Once these obligations are completed, you must pay us all such fees we deferred and sign a certificate stating that we are entitled to such fees.~~

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

~~THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF GEORGIA AND A FORUM OF ATLANTA, GEORGIA. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW. To the extent permitted by law, you and we waive any right to or claim for any punitive or exemplary damages against each other and agree that in the event of a dispute between us, each shall be limited to the recovery of actual damages only. Each party further waives trial by jury and, to the extent permitted by law, all claims arising out of or relating to the Franchise Agreement must be brought within one year from the date on which you or we knew or should have known of the facts giving rise to such claims.~~

The Franchise Agreement requires binding arbitration. The arbitration will occur in Atlanta, Georgia, with the prevailing party's costs and expenses to be borne by the other party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF HAWAII**

Section 9 of the Franchise Agreement, under the heading "Termination", shall be supplemented by the addition of the following Section 9.5:

9.5 Hawaii Law. Pursuant to Section 482E-6(3) of the Hawaii Revised Statutes, for so long as such statute remains in effect and so provides, upon termination or refusal to renew the franchise, Franchisee shall be compensated for the fair market value, at the time of termination or expiration of the franchise, of Franchisee's inventory, supplies, equipment and furnishings purchased from the Franchisor or a supplier designated by the Franchisor, exclusive of personalized materials which have no value to the Franchisor. If the Franchisor refuses to renew a franchise for the



purpose of converting the franchised business to one owned by the Franchisor, the Franchisor, in addition to the remedies provided in this paragraph, shall compensate Franchisee for the loss of goodwill. The Franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, equipment and furnishings pursuant to this paragraph, and may offset from such compensation any moneys due to the Franchisor.

**FOR RESIDENTS OF ADDENDUM REQUIRED BY THE STATE OF ILLINOIS**

Sections 6.7 and 6.8 of the Franchise Agreement are hereby deleted in their entirety, and replaced with the following:

6.7 Receipt. Franchisee acknowledges that Franchisor is relying upon any acknowledgments of receipt for Franchisor's Franchise Offering Circular for the State of Illinois and for the completed original of this Agreement executed by Franchisee as to the actual dates and fact of receipt for such documents. Franchisee acknowledges that it has had ample opportunity to consult with its counsel and representatives regarding the content of this Agreement and the Franchisor's Franchise Offering Circular.

6.8 DOCUMENTATION. FRANCHISEE HAS ATTACHED HERETO ANY WRITTEN STATEMENT, REPRESENTATION, WARRANTY OR INFORMATION, FURNISHED BY FRANCHISOR, OTHER THAN THAT INCLUDED IN FRANCHISOR'S FRANCHISE OFFERING CIRCULAR, IF ANY, REGARDING THE POTENTIAL VOLUME, PROFITS OR EXPENSES OF A SPORTS SECTION TSS PHOTOGRAPHY FRANCHISE AUTHORIZED UNDER THIS AGREEMENT UPON WHICH FRANCHISEE IS RELYING IN MAKING ITS DECISION TO ENTER INTO THIS AGREEMENT.

Notwithstanding Section 9 of the Franchise Agreement, the conditions under which the Franchise Agreement can be terminated and the parties' rights upon non-renewal may be affected by Illinois law, (815 ILCS 705/19 and 705/20).

Section 12.2 of the Franchise Agreement is hereby modified by adding the following text as the last sentence:

The parties expressly confirm that there are no other oral or written agreements, "side-deals", arrangements or understandings between them except as set forth herein and in Franchisor's applicable Franchise Offering Circular.

Notwithstanding anything to the contrary in Section 12.14 of the Franchise Agreement, Illinois law shall govern this Agreement.

Nothing in the Franchise Agreement shall limit or prevent the enforcement of any cause of action otherwise enforceable in Illinois or arising under the Illinois Franchise Disclosure Act of 1987, as amended.

Any condition, stipulation or provision of the Franchise Agreement purporting to bind Franchisee to a waiver of compliance with the Illinois Franchise Disclosure Act of 1987, as amended, is void.

**FOR RESIDENTS OF ADDENDUM REQUIRED BY THE STATE OF INDIANA**

Section 8.10 of the Franchise Agreement is hereby modified by deleting the words “. . . are likely to cause” in the third sentence of the sixth full paragraph thereof and replacing them with “may”. Additionally, the words “. . . to a preliminary and/or permanent injunction and to a decree of specific performance of the terms of this Section 8.11 without the necessity of showing actual or a threatened damage” in the fourth sentence of the sixth full paragraph of Section 8.10 is hereby deleted in its entirety and replaced with “. . . to seek to obtain a preliminary and/or permanent injunction and to a decree of specific performance of the terms of this Section 8.10.”

Section 8.16(c)(vii) of the Franchise Agreement is hereby deleted in its entirety.

Section 9 of the Franchise Agreement is hereby modified by adding a new Section 9.5 as follows:

9.5 Indiana Law. The conditions under which this Agreement can be terminated may be affected by Indiana law [IC Stat. Sec. 23-2-2.5 and 23-2-2.7] which provides Franchisee with certain termination rights.

Section 10.6 of the Franchise Agreement is hereby modified by deleting the current text in its entirety and replacing it with the following:

10.6 Injunctive Relief. Franchisee agrees that upon any breach by Franchisee of the provisions of this Section 10, Franchisor shall be entitled to seek to obtain injunctive relief or specific performance in addition to any other remedies available at law or in equity.

Section 11.1 of the Franchise Agreement is hereby modified by deleting the words “obtain in a court of competent jurisdiction, without bond” in the first sentence thereof and replacing them with the word “seek” and deleting the last sentence thereof in its entirety.

Section 11.2 of the Franchise Agreement is hereby modified by deleting the fourth and last two sentences thereof in their entirety. Additionally, the Franchisor agrees to select as the place for arbitration a location within the State of Indiana and the laws of the State of Indiana shall apply to the arbitration proceedings.

Section 11.3 of the Franchise Agreement is hereby modified by deleting everything in the first sentence thereof after the words “commenced within” and replacing the deleted portion with “two (2) years after the violation of IC Stat. 23-2 and, with respect to other claims, three (3) years after discovery by the Franchisee of the facts constituting the violation.”

Any covenant not to compete in the Franchise Agreement which extends beyond the termination of the Franchise Agreement may not be enforceable under Indiana law.

Notwithstanding anything to the contrary in Section 12.14 of the Franchise Agreement, the laws of the State of Indiana shall govern the construction and enforcement of the Franchise Agreement and the words “. . . and hereby waives, to the extent permitted by applicable law, defenses based on jurisdiction, venue or forum non conveniens” in the second to last sentence of Section 12.14 are hereby deleted in their entirety.

Section 12.14 of the Franchise Agreement is hereby modified by adding the following text as the last sentence thereof:

This provision shall not in any way abrogate or reduce any rights of Franchisee as provided for under Indiana law including, but not limited to, the right to submit matters to the jurisdiction of the courts of Indiana.

Section 12.15 of the Franchise Agreement is hereby deleted in its entirety.

**FOR ADDENDUM REQUIRED BY THE STATE OF MARYLAND**

Notwithstanding anything contained in the Franchise Agreement to the contrary, you do not have to pay us the Initial Franchise Fee and any other initial fees otherwise due and payable on signing and delivery of the Agreement until we perform our obligations described in Sections 7.1, 7.2, 7.6 and 7.7 and, in some instances, Section 7.4 of the Agreement. On our completion of these obligations, ~~you must sign a Certificate certifying that~~ **and once** your Franchised Business is open **and for business, you must** immediately pay us the initial fees otherwise due and payable on signing and delivery of the Agreement.

Section 11.3 of the Franchise Agreement is hereby modified by adding the following at the end of the first sentence thereof: “. . . , provided, however, that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.”

Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Notwithstanding anything to the contrary in Section 12.14 of the Franchise Agreement, the Maryland Franchise Registration and Disclosure Law prohibits the Franchisor from precluding the Franchisee from initiating litigation against the Franchisor in Maryland. Accordingly, the second sentence of Section 12.14 is hereby modified to provide that the Franchisee may initiate litigation or sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

No representation or disclaimer by the Franchisee in the Franchise Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Attached to this Addendum as Schedule 1 is the form of the general release that you and your owners will sign, as, and if, required by Section 8.16(c)(viii) of the Franchise Agreement.

**FOR RESIDENTS OF ADDENDUM REQUIRED BY THE STATE OF MINNESOTA**

Section 8.14 of the Franchise Agreement is hereby modified by adding a new Section 8.14(g) as follows:

(g) Franchisor agrees to indemnify Franchisee from and against any losses, liabilities and damages for which Franchisee is held liable by a court of competent jurisdiction in any proceeding arising out of Franchisee's use of the ~~mark~~ **marks** “THE SPORTS SECTION” and “TSS PHOTOGRAPHY” and all other trademarks, service marks and associated marks and symbols utilized by Franchisee pursuant to this Agreement, provided such use is in accordance with and pursuant to the

provisions of this Agreement. The foregoing indemnification is conditioned upon the following: Franchisee must (i) provide written notice to Franchisor of any claims subject to indemnification hereunder within twenty (20) days of Franchisee's receipt of any written information pertaining to such claims, (ii) tender the defense of the claims to Franchisor if Franchisor so desires, and (iii) permit Franchisor to have sole control of the defense and settlement of any such claim.

Section 9 of the Franchise Agreement is hereby modified by adding a new Section 9.5 as follows:

9.5 Minnesota Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Minnesota law which provides Franchisee with certain termination and non-renewal rights. Minnesota Statute Section 80C.14, subdivisions 3, 4 and 5 require, except in certain specified cases, that the Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

Section 10.6 of the Franchise Agreement is hereby modified by adding the word "seek" in the second sentence thereof after the word "to" and before the word "injunctive."

Section 11.1 of the Franchise Agreement is hereby modified by deleting the words "obtain in a court of competent jurisdiction, without bond" in the first sentence thereof and substituting the word "seek" in their place.

Section 12.14 of the Franchise Agreement is hereby modified by adding the following text as the last sentence thereof:

Pursuant to Minnesota Statute Section 80C.21, this provision shall not in any way abrogate or reduce any rights of Franchisee as provided for in Minnesota Statute Chapter 80C. including, but not limited to, the right to submit matters to the jurisdiction of the courts of Minnesota.

Nothing in the Franchise Agreement is intended to abrogate or reduce any rights of the Franchisee as provided in for Minnesota Statutes, Chapter 80C.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF NEW YORK**

Notwithstanding any provision of the Franchise Agreement, all rights enjoyed by Franchisee and any causes of action arising in its 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 the General Business Law of the State of New York Sections 687.4 and 687.5 be satisfied.

Section 8.17 of the Franchise Agreement is hereby modified by adding the following sentence after the initial sentence thereof: "However, the Franchisee shall not be required to indemnify for any claims arising out of a breach of the Agreement or other civil wrong of the Franchisor."

No new or different requirements imposed on Franchisee as a result of any changes made by Franchisor to its Manual pursuant to Section 8.8 of the Franchise Agreement or otherwise shall place an unreasonable economic burden on Franchisee.

Notwithstanding any provision of the Franchise Agreement to the contrary, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to Article 33 of the General Business Law of the State of New York.

Section 10.6 of the Franchise Agreement is hereby modified by adding the words "apply for" after the words "entitled to" and before the word "injunctive" in the second sentence thereof.

Notwithstanding Section 12.14 of the Franchise Agreement, the choice of law and venue provisions should not be construed as a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA**

Section 8.10 of the Franchise Agreement relating to non-competition covenants may be contrary to Section 9-08-06 of the North Dakota Century Code, and may not be enforceable in North Dakota.

With respect to Section 11.2 of the Franchise Agreement, the Franchisor agrees to select as the place for arbitration a location within the State of North Dakota in close proximity to the Franchisee's business.

Any waiver of exemplary or punitive damages specified in Sections 11.2 and 12.15 of the Franchise Agreement shall be deemed null and void and of no force or effect.

Notwithstanding Section 12.14 of the Franchise Agreement, the Franchisee does not consent to the jurisdiction of any court outside of North Dakota. Although Section 12.14 of the Franchise Agreement provides that the Franchise Agreement will be governed by and construed in accordance with the laws of the State of Georgia, the Franchisor agrees that the laws of the State of North Dakota shall govern the construction and interpretation of the Franchise Agreement.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND**

Notwithstanding Section 12.14 of the Franchise Agreement, Section 19-28.1-14 of the Rhode Island Franchise Investment Act (the "Act") provides that a provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA**

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

Notwithstanding anything to the contrary in the Franchise Agreement, the Franchisor will not terminate the Franchise Agreement pursuant to Section 9 hereof for a breach of the Franchise Agreement, for failure of the Franchisee to meet performance and quality standards and/or for failure to make royalty payments unless the Franchisee receives thirty (30) days written notice and an opportunity to cure such defaults.

Section 11.2 of the Franchise Agreement is amended to delete any references to the site of arbitration being selected by the Franchisor. The parties agree that such arbitration shall be conducted in

a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association. Furthermore, nothing in Section 11 shall be deemed to bar the right of either party to obtain injunctive relief from any court of competent jurisdiction against threatened conduct that will cause loss or damages under the usual equity rules, including the applicable rules for obtaining preliminary injunctions. Finally, the sentence in Section 11.2 which starts "Franchisor and Franchisee hereby waive to the fullest extent . . ." and ends ". . . shall be limited to recovery of any actual damages sustained by it" is hereby deleted in its entirety.

Section 12.14 of the Franchise Agreement is amended to add the following as the last sentence thereof:

"Notwithstanding the foregoing, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of Georgia. Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Law."

Pursuant to S.D.C.L. 37-5A-86, any acknowledgment provision, disclaimer, or integration clause or a provision having a similar effect in the Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate the South Dakota Franchise Law (S.D.C.L. 37-5A), or any administrative regulations promulgated thereunder.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF WASHINGTON**

Notwithstanding any other provision of the Franchise Agreement to the contrary, the Franchisor shall not terminate the Franchise Agreement prior to expiration of its initial Term or any renewal Term except for good cause. Good cause shall include, without limitation, the failure of Franchisee to comply with lawful material provisions of the Franchise Agreement or any other agreement between Franchisor and Franchisee, and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such default, or if such default cannot reasonably be cured within thirty days, the failure of Franchisee to initiate within thirty days substantial and continuing action to cure such default. After three (3) willful and material breaches of the same term of the Franchise Agreement occurring within a twelve (12) month period, for which Franchisee has been given notice and an opportunity to cure as provided in this subsection, Franchisor may terminate the Franchise Agreement upon any subsequent willful and material breach of the same term within the twelve (12) month period without providing notice or opportunity to cure. Franchisor may terminate the Franchise Agreement without giving prior notice or opportunity to cure a default if Franchisee (i) is adjudicated a bankrupt or insolvent; (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchised business; (iii) voluntarily abandons the franchised business; or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchised business. Upon termination for good cause, Franchisor shall purchase from Franchisee at fair market value at the time of termination, Franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to Franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchised business; and (iii), if Franchisee is to retain control of the premises of the

franchised business, any inventory and supplies not purchased from Franchisor or upon Franchisor's express requirement: Provided, that Franchisor may offset against amounts owed to Franchisee under this paragraph any amounts owed by Franchisee to Franchisor.

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.

If any provision of the Franchise Agreement is inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail.

Notwithstanding Section 8.16 of the Franchise Agreement, transfer fees are collectible to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

A release or waiver of rights executed the Franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions 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 trial by jury, may not be enforceable.

**~~FOR RESIDENTS OF~~ ADDENDUM REQUIRED BY THE STATE OF WISCONSIN**

Section 9 of the Franchise Agreement is hereby modified by adding a new Section 9.5 as follows:

9.5 Wisconsin Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Wisconsin law, Chapter 135, Wisc. Stats., the Wisconsin Fair Dealership Law.

Section 12 of the Franchise Agreement is hereby modified by adding the following to Section 12.14:

"The Wisconsin Fair Dealership Law supersedes any provision of this Agreement which is inconsistent with that law."

**FOR RESIDENTS OF ALL STATES LISTED IN THIS ADDENDUM**

Notwithstanding Section 12.2 of the Franchise Agreement to the contrary, this Addendum shall not be merged with or into, or superseded by, the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, this Addendum shall be controlling. Except as otherwise expressly set forth herein, no other amendments or modifications of the Franchise Agreement are intended or made by the parties.

Applicable State: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

[OR]

\_\_\_\_\_  
Corporate Name, Partnership or  
Limited Liability Company

By: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISOR:

THE SPORTS SECTION, INC.  
TSS PHOTOGRAPHY, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

OWNERS (SHAREHOLDERS/PARTNERS/  
MEMBERS):

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)



**Schedule 1**

**General Release**

**(See Attached)**

**GENERAL RELEASE**

This General Release is made effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_. In consideration for the grant by ~~The Sports Section~~ **TSS Photography, Inc.**, a Georgia corporation ("TSS"), to the undersigned of certain rights in connection with the operation of a ~~Sports Section~~ **TSS** franchise and/or the transfer or renewal thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally release, discharge, and acquit TSS, its past and present subsidiaries and affiliates, and its and their shareholders, owners, directors, officers, managers, members, partners, employees, agents, representatives, successors and assigns, from any and all liabilities, damages, claims, demands, costs, expenses, debts, indemnities, suits, disputes, controversies, actions and causes of action of any kind whatsoever, whether known or unknown, fixed or contingent, regarding or arising out of any prior or existing franchise relationship, development agreement, franchise agreement or any other agreement executed by any of the undersigned and TSS (or any subsidiary or affiliate of TSS), any ~~Sports Section~~ **TSS** franchise (whether currently or previously owned or operated by the undersigned or any of them), or any other prior or existing business relationship between any of the undersigned and TSS (or any subsidiary or affiliate of TSS), which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against TSS (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims arising from contract, written or oral communications, alleged misrepresentations, and acts of negligence, whether active or passive. This General Release shall survive the assignment or termination of any of the franchise agreements or other documents entered into by and between TSS and any of the undersigned. This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve TSS or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law. This General Release shall be governed by and construed in accordance with the laws of the State of Georgia without regard to its conflicts of law provisions.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_, Individually

\_\_\_\_\_, Individually

**SCHEDULE C**  
**TO**  
**~~THE SPORTS SECTION, INC.~~**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**

**NON-SOLICITATION AND NON-DISCLOSURE AGREEMENT**

**THE SPORTS SECTION TSS PHOTOGRAPHY, INC.**  
**NON-SOLICITATION AND NON-DISCLOSURE AGREEMENT**

(Owner, Officer, Director, Manager, Employee)

The undersigned is an owner, officer, director or an employee of a franchisee of ~~The Sports Section~~ **TSS Photography**, Inc. (the "Franchisor") under that certain ~~The Sports Section~~ **TSS Photography**, Inc. Franchise Agreement entered into by Franchisee and Franchisor dated \_\_\_\_\_, 20\_\_\_\_ (the "Franchise Agreement").

In connection with my association with the Franchisee, I will have access to certain confidential information and trade secrets pertaining to the Franchisor, Franchisee and the ~~Sports Section~~ **TSS** franchise system, and I understand and acknowledge that it is necessary that I agree not to take unfair advantage of my access to this information which may be detrimental to the Franchisor, Franchisee or the ~~Sports Section~~ **TSS** franchise system. For purposes of this Agreement, I acknowledge that the Franchisor is engaged in the business of offering and selling franchises for the operation of a business which entails marketing for sale, selling and promoting still videographic or digital images for financial gain (the "Business"). I also acknowledge that the Business is identified and distinguished by uniform image and high quality products and services.

For purposes hereof, "Confidential Information" shall mean data or information relating to the Business (which may not rise to the level of a trade secret under applicable law) which is or has been disclosed to me or of which I became aware of as a consequence of my association with the Franchisor and/or Franchisee and which has value to the Franchisor and/or Franchisee and is not generally known to their competitors. Confidential Information shall not include any data or information that has been voluntarily disclosed to the public by the Franchisor and/or Franchisee (except if such public disclosure has been made by me without authorization), or that has been independently developed or disclosed by others, or that otherwise enters the public domain through lawful means. For purposes hereof, "Trade Secrets" means information, without regard to form, including, but not limited to technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers belonging to Franchisor or Franchisee which is not commonly known by or available to the public and which information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain secrecy. I understand and acknowledge that Confidential Information and Trade Secrets include, without limitation: the ~~Sports Section~~ **TSS** Franchise Operations Manual, Product Price Lists, franchisee lists, customer lists, customer databases, market research studies, tests and techniques, advertising strategies, business strategies, financial information pertaining to the Franchisor and Franchisee, the products, services and practices of the Franchisor and/or Franchisee and business plans of the Franchisee and Franchisor.

I agree that during the term of my association with or service to the Franchisee and for a period of two (2) years thereafter, I will not divulge, communicate, transmit, disseminate or use any Confidential Information except as necessary to perform my duties for the Franchisee. I further agree not to divulge, communicate, transmit, disseminate or use any Trade Secrets at any time except as necessary to perform my duties for the Franchisee. In connection therewith, I will

at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or Trade Secrets or material containing it, in whole or in part, or otherwise make them available to any unauthorized person except as necessary to perform any duties for the Franchisee. On the request of the Franchisor or Franchisee or on the expiration or other termination for any reason of my association with or service to the Franchisee, I will return to the Franchisor or Franchisee, as the case may be, all memoranda, notes, records, drawings, manuals or other data, documents or things and all copies thereof pertaining to the Business and all materials, books, records and manuals constituting Confidential Information or Trade Secrets which are in my possession, custody or control.

During my association with or service to the Franchisee, I will not take any action, directly or indirectly, the purpose of which would be to divert any business from the Franchisor and/or Franchisee to any competitors of the Franchisor and/or Franchisee. And, further, I will not take any action which is injurious or prejudicial to the goodwill associated with the ~~Sports Section~~ TSS franchise system, the Franchisor and/or Franchisee.

I agree that during the term of my association with or service to the Franchisee and for a period of two years immediately following its expiration or termination for any reason, I will not, on my own behalf, or on behalf of any person or entity, solicit for financial gain any customer or league or group, or any representative of any customer or league or group, for, with or through whom Franchisee did business or solicited business as a franchisee of Franchisor during the two years immediately preceding the expiration or termination of my association with or service to the Franchisee with a view to marking for sale, selling or providing any of the type of products or services provided by Franchisee during the two year period immediately preceding the termination or expiration of my association with or service to the Franchisee. The foregoing prohibition only applies to customers, leagues or groups or representatives of customers or leagues or groups with whom I had actual contact with or with whom I had dealings during the two-year period immediately preceding the expiration or termination of my association with or service to the Franchisee.

I further agree that during the term of my association with or service to the Franchisee and for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly, on my own behalf or on behalf of any person or entity, solicit or in any manner encourage employees of the Franchisor or Franchisee to leave the employ of the Franchisor or Franchisee. The foregoing prohibition applies only to employees with whom I had actual contact with or with whom I had dealings during the two year period immediately preceding the expiration or termination of my association with or service to the Franchisee.

If I am an owner, officer, director, executive employee or manager of Franchisee, I further agree that I have read Section 8.10(a) of the Franchise Agreement and I agree to be personally bound by all of the obligations and covenants of Franchisee contained in Section 8.10(a) as if such obligations and covenants were made and given personally by me directly to Franchisor and such obligations and covenants are fair and reasonable and will not deprive me of my livelihood.

Initials

I acknowledge and understand that violation of the aforementioned covenants contained in this Agreement would result in immediate and irreparable harm to Franchisor and Franchisee for which compensation by monetary damages alone would be insufficient and, accordingly, I hereby consent to the entry of an injunction procured by Franchisor and/or Franchisee prohibiting me from violating the terms of these covenants. I expressly agree that any claims I may have against the Franchisor or Franchisee will not constitute a defense to either party's enforcement of the covenants set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' fees, experts' fees and court costs) incurred by Franchisor and Franchisee in connection with the enforcement of this Agreement. I understand and agree that the Franchisor is a third party beneficiary of this Agreement.

I agree that the covenants contained in this Agreement shall be construed as agreements severable from and independent of each other and of any other provision of this or any other contract or agreement between me and the Franchisor and/or Franchisee. I agree that the covenants are fair and reasonable and that the limitations and restrictions placed on me in this Agreement will not prevent me from earning a living. If the scope of any limitation or restriction imposed by the covenants in this Agreement are found by a court or tribunal having valid jurisdiction over this Agreement are too broad to permit enforcement of the covenants as written, then I agree that the court or tribunal shall have the power to revise and/or construe the covenants to fall within permissible legal limits and to not invalidate the covenant or covenants. I expressly agree to be bound by any lesser covenant as if the resulting covenant were separately stated in and made a part of this Agreement. The covenants made herein are for the benefit of both Franchisor and Franchisee and may be enforced by either of them.

I agree that this Agreement and all relations and disputes between myself and the Franchisor and/or Franchisee are to be exclusively construed in accordance with and governed by the laws of the state where I reside at the end of my employment or relationship with Franchisee. I agree that nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of Georgia or the implied covenant of good faith and fair dealing.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_, 20\_\_\_\_\_

**SCHEDULE D**  
**TO**  
**~~THE SPORTS SECTION, INC.~~**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**

**FRANCHISE PLANS**

DESCRIPTION	PLAN 1	PLAN 2	PLAN 3	PLAN 4
Training Deposit	\$1000 in Continental U.S.	\$1000 in Continental U.S.	\$1000 in Continental U.S.	\$1000 in Continental U.S.
Initial Franchise Fee (First Franchise)	\$33,900	\$25,900	\$18,900	\$12,900
Initial Franchise Fee (each additional Franchise)*	\$21,900	\$16,900	\$11,900	\$7,900
Financing Available	No	No	No	No
Term	10 years	10 Years	10 Years	10 Years
Renewal Fees	None	\$1000	\$1000	\$1000
Population of Protected Territory**	Up to 400,000	Up to 300,000	Up to 200,000	Up to 100,000
Processing/Developing Fees (Wholesale Prices)	Base only	Plus 5% Surcharge on First \$100,000 P&D	Plus 5% Surcharge on First \$100,000 P&D	Plus 5% Surcharge on First \$100,000 P&D
Royalty Fees	None	None	None	None
Specialty Lab Fees	None	None	None	None
Sales & Marketing Instruction	Provided in Franchisee's Territory***	Same as Plan 1	Same as Plan 1	Same as Plan 1
Photography Instruction	Provided in Franchisee's Territory	Same as Plan 1	Same as Plan 1	Same as Plan 1
Camera Equipment Provided	Camera Case/Muslin Backdrop	Same as Plan 1	Same as Plan 1	Same as Plan 1
Materials and Supplies Provided	Same as Plan 4 plus one additional presentation book	Same as Plan 4	Same as Plan 4	Franchisee operational manual, order processing software, franchise operations management software, starter kit, photo presentation book, initial reasonable supply of photo samples & all necessary paper forms including customer order envelopes to begin operation



DESCRIPTION	PLAN 1	PLAN 2	PLAN 3	PLAN 4
Sports-Section <u>TSS</u> Sportswear	2 TSS Golf Shirts 4 TSS Baseball Hats	Same as Plan 4	Same as Plan 4	1 TSS Golf Shirt 2 TSS Baseball Hats
Minimum Productivity	\$15,000 P/D 1st Year \$20,000 P/D each Year thereafter with monthly minimums***	Same as Plan 1	Same as Plan 1	\$9,750 P/D 1st Year \$12,000 P/D each Year thereafter with monthly minimums
TSS Custom Website (Hosted by TSS HQ)	Required	Same as Plan 1	Same as Plan 1	Same as Plan 1
TSS Custom E-mail (Hosted by TSS HQ)	Required	Same as Plan 1	Same as Plan 1	Same as Plan 1
Support base including monthly newsletters, incentives such as The President's Club trip, regional meetings, toll-free number for advice	For length of Franchise	Same as Plan 1	Same as Plan 1	Same as Plan 1

Explanatory Notes

1. To be eligible for the reduced initial franchise fee for purchasing additional franchises, at a minimum, you must own a Plan 1 franchise or purchase additional contiguous population to increase the population associated with your Plan 2, 3 or 4 franchise to a minimum population level of 400,000.
2. Additional contiguous population may be purchased based on cities or counties at the time you sign your Franchise Agreement for a fee of \$0.05 per person, or at any time after you sign your Franchise Agreement for a fee of \$0.07 per person.
3. If you purchase a Plan 1 franchise, and at the same time, purchase an additional franchise (under any Plan), we will provide you with an additional day of sales and marketing training at no charge. Also, your minimum productivity will be \$20,000 P/D for the first year and \$30,000 P/D for each year thereafter with monthly minimums. The materials and supplies provided will include one (1) additional presentation book only, due to the discounted franchise fee of any subsequent plans you purchase.
4. See Franchise Agreement, Section 8.6. "P&D" fees are "Processing and Developing" fees.

**SCHEDULE E**  
**TO**  
**~~THE SPORTS SECTION, INC.~~**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**

**GUARANTY**

## GUARANTY

THIS GUARANTY (the "Guaranty") is made by the Guarantor named on the signature pages of this Guaranty (whether one or more, the "Guarantor") in favor of ~~THE SPORTS SECTION~~ TSS PHOTOGRAPHY, INC., a Georgia corporation (hereinafter the "Company"), as of the date set forth beneath such Guarantor's signature.

## RECITALS

WHEREAS, Company and \_\_\_\_\_ (the "Franchisee") are parties to that certain ~~The Sports Section~~ TSS Photography<sup>®</sup> Franchise Agreement (the "Franchise Agreement"); and

WHEREAS, Guarantor is an owner, executive employee, or manager of Franchisee, and as such anticipates benefit from the transactions contemplated under and evidenced by the Franchise Agreement and is therefore willing to execute this Guaranty; and

WHEREAS, Company would not have agreed to enter into the Franchise Agreement with Franchisee without the agreement of Franchisee to cause all its owners, executive employees, or managers to enter into and agree to be bound by this Guaranty, which agreement Company has relied on to its detriment;

NOW, THEREFORE, in consideration of the premises and the Franchise Agreement, and the mutual covenants and promises therein contained, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty. Guarantor hereby guarantees to Company and its successors and assigns the following obligations (collectively, the "Obligations"): (i) the full and prompt payment and performance of any and all obligations of Franchisee to Company under the Franchise Agreement and all schedules and agreements related to it (the "Agreements"); and (ii) the full and prompt payment or reimbursement of any amounts, costs, expenses, claims, liabilities, or obligations Company incurs under the Agreements. Guarantor agrees that if Franchisee does not make payments under any or all of the Agreements when due or perform any obligations required of it in accordance with such Agreements, or satisfy any Obligations Company incurs related to any or all of them, Guarantor will make such payments and reimbursements and cause such obligations to be performed. In the event there is more than one Guarantor, all the terms, conditions, and obligations set forth in this Guaranty shall be joint and several.

2. Guarantee of Payment. This Guaranty is a guaranty of payment and not merely one of collection and performance.

3. Payment. If Franchisee is in default of the Franchise Agreement, Company may proceed directly against any or each Guarantor without first proceeding against or notifying Franchisee and without proceeding against any other Guarantor. On notice from Company that Franchisee has failed to pay monies due and owing to Company under the Franchise Agreement, Guarantor will cure any monetary default within five (5) business days from such notice.

4. Waivers by Guarantor. Guarantor hereby waives presentment, notice, notice of protest, demand, and notice of dishonor or default, with respect to any Obligations arising under or related to the Agreements. No renewal, indulgence, modification, change of terms, or extension of the obligations under any of the Agreements, and no subordination, release, surrender of any security for the obligations under them, and no release of any person primarily or secondarily liable under them, shall affect the liability of Guarantor hereunder. Guarantor does hereby further waive notice of acceptance of this Guaranty, settlement or compromise of differences, and notice of any arrangement or settlement made

with Guarantor in or out of court in the event of receivership, liquidation, bankruptcy, reorganization, arrangement, or assignment for the benefit of creditors. Should any one or more of the provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless remain in full force and effect. Guarantor hereby specifically waives any rights that may be conferred by Official Code of Georgia, Annotated Sections 10-7-23 and 10-7-24 or any similar provisions of the applicable law of any other jurisdiction.

5. No Waiver By Company. No delay or failure by Company in the exercise of any right, power, or remedy shall operate as a waiver thereof, and no single or partial exercise by Company of any right, power, or remedy shall preclude any further exercise thereof or the exercise of any other right, power, or remedy.

6. Consent to Jurisdiction. Guarantor hereby: (i) submits to personal jurisdiction in Georgia for the enforcement of this Guaranty; and (ii) waives any and all personal rights under the laws of Georgia or any other jurisdiction, to object to jurisdiction within Georgia, for the purposes of litigation related to this Guaranty, regardless of any present or future domicile of Guarantor, Franchisee, or Company.

7. Governing Law. This Guaranty is to be exclusively construed in accordance with and governed by the laws of the State of Georgia, without recourse to the choice of law or conflicts of law principles of Georgia, or any other jurisdiction. If, however, any provision of this Guaranty would not be enforceable under the laws of Georgia, and the provision would be enforceable under the laws of any place where Guarantor is subject to jurisdiction or where Franchisee is located, then that provision, and only that provision, will be interpreted and construed under the laws of such other jurisdiction. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary, or other doctrine of law of the State of Georgia, or any other jurisdiction, that would not otherwise apply.

8. Notices. Any and all notices, elections, or demands permitted or required to be made under this Guaranty shall be in writing, signed by the party giving such notice, election, or demand, and shall be delivered by overnight courier, such as Federal Express or UPS, delivery fees prepaid, or otherwise delivered to the other party at the address set forth below, or at such other address as the addressee may hereafter designate in writing. The effective date of such notice, election, or demand shall be the date of delivery or refusal to accept delivery. For the purposes of this Guaranty:

- (a) The address of each Guarantor is as set forth below his or her signature at the end of this Guaranty.
- (b) The address of Company is:

~~The Sports Section, Inc.~~  
**TSS Photography, Inc.**  
2150 Boggs Road, Suite 200  
Duluth, Georgia 30096  
Attention: President

9. Successors and Assigns. The provisions of this Guaranty shall bind Guarantor and Guarantor's respective heirs and personal representatives and shall benefit Company and its respective successors and assigns. Guarantor shall not assign this Guaranty without prior written consent of Company. This Guaranty shall not be impaired by any change that may arise by reason of the cessation of operation of the Company or the dissolution of Franchisee. The death of Guarantor shall not terminate this Guaranty and the same shall be enforceable against Guarantor's estate.

10. Severability. To the extent that any performance of this Guaranty would violate any applicable usury statute or any other applicable law, the Obligation to be fulfilled shall be reduced to the limit legally permitted, so that this Guaranty shall not require any performance in excess of the limit legally permitted, but such Obligation shall be fulfilled to the limit of its legal validity. The provisions of this Section 10 shall control every other provision of this Guaranty.

11. No Release. The cessation of or release from liability of any Guarantor shall not relieve any other Guarantor from liability under this Guaranty or the Franchise Agreement, except to the extent that the default has been remedied or monies owed have been paid.

12. Termination of Franchise Agreement. Guarantor expressly acknowledges that the obligations under this Guaranty survive the termination of the Franchise Agreement.

13. Costs and Attorneys' Fees. In the event that Company is engaged in any litigation, arbitration, or other proceeding related to this Guaranty, including without limitation any litigation, arbitration, or other proceeding related to the making or enforcement hereof, or in the event that any Guarantor is in default of its obligations under this Guaranty, Guarantor shall pay Company, on demand, Company's costs related to such litigation, arbitration, other proceeding, or default, including without limitation Company's reasonable attorneys' fees, all of which in the event of any litigation, arbitration, or other proceeding shall be taxed as costs, so that Company actually receives payment within five (5) days after demand therefor.

IN WITNESS WHEREOF, Guarantor has executed and delivered this Guaranty as of the date dates set forth below.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Identification No.:

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Identification No.:

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Date: \_\_\_\_\_, 200

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Date: \_\_\_\_\_, 200

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**SCHEDULE F**  
**TO**  
**THE SPORTS SECTION, INC.**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**  
**TELEPHONE LISTING AGREEMENT**

## TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Listing Agreement") is made and entered into by and between ~~THE SPORTS SECTION~~TSS PHOTOGRAPHY, INC., a Georgia corporation with its principal business address at 2150 Boggs Road, Suite 200, Duluth, Georgia 30096 ("we," "us," or the "Company"), and \_\_\_\_\_, whose principal address is shown on Schedule A to that certain ~~The Sports Section~~TSS Photography, Inc. Franchise Agreement dated of even date herewith (the "Franchise Agreement").

WITNESSETH:

WHEREAS, you desire to enter into the Franchise Agreement; and

WHEREAS, we would not enter into the Franchise Agreement without your agreement to enter into, comply with, and be bound by all the terms and provisions of this Listing Agreement;

NOW, THEREFORE, 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 hereby agree as follows:

### 1. DEFINITIONS

All terms used but not otherwise defined in this Listing Agreement shall have the meanings set forth in the Franchise Agreement or Schedules thereto, as the context may require. "Termination" of your 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. You have, 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 your Franchised Business or ~~The Sports Section~~TSS Photography Marks (all of which right, title, and interest is referred to herein as your "Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if we direct you to do so, you will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which you have Telephone Numbers and Listings: (i) to transfer all your Interest in such Telephone Numbers and Listings to us; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event we do not desire to accept any or all such Telephone Numbers and Listings, you will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings.

2.3 Appointment; Power of Attorney. You hereby constitute and appoint us and any officer or agent of ours, for our benefit under the Franchise Agreement and this Listing Agreement or otherwise, with full power of substitution, as your true and lawful attorney-in-fact with full power and authority in your place and stead, and in your name or the name of any affiliated person or affiliated company of yours, 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 Listing Agreement. You further agree that this appointment constitutes a power coupled with an interest and is irrevocable until you have satisfied all your obligations under the Franchise Agreement and any and all other agreements to which you and any of your affiliates on the one hand, and we and any of our affiliates on the other, are parties. Without limiting the generality of the foregoing, you hereby grant to us the power and right to do the following:

(a) Direct the Telephone Companies to transfer all your Interest in and to the Telephone Numbers and Listings to us;

(b) Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

(c) Execute the Telephone Companies' standard assignment forms or other documents in order to effect such transfer or termination of your Interest.

2.4 Certification of Termination. You hereby direct the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, our written statement, signed by an officer or agent of ours, that the Franchise Agreement has Terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all your Interest in such Telephone Numbers and Listings to us, as between you and us, you will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, you will remain liable to each and all of the Telephone Companies for the sums you are obligated to pay such Telephone Companies for obligations you incurred before the date we duly accept the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Listing Agreement.

### 3. MISCELLANEOUS

3.1 Release. You hereby release, remise, acquit, and forever discharge each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, shareholders, 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 Listing Agreement.

3.2 Indemnification. You are solely responsible for all costs and expenses related to your performance, your nonperformance, and our enforcement of this Agreement, which costs and expenses you will pay us in full, without defense or setoff, on demand. You agree to indemnify, defend, and hold harmless us, our affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of us and any of them, against, and to reimburse us and them for, all claims that are related to or are based on this Listing Agreement.

3.3 No Duty. The powers conferred on us hereunder are solely to protect our interests and shall not impose any duty on us to exercise any such powers. You expressly agree that in no event shall we be obligated to accept the transfer of any or all of your Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. You agree that at any time after the date hereof, you will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All our rights and powers, and all your obligations, under this Listing Agreement shall be binding on your successors, assigns, and affiliated persons or entities as if they had duly executed this Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Listing Agreement, all provisions of the Franchise Agreement and Schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Listing Agreement shall survive the termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All your obligations under this Listing Agreement shall be joint and several.

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

Er

US:

YOU:

~~THE SPORTS SECTION, INC.~~ \_\_\_\_\_  
~~TSS PHOTOGRAPHY, INC.~~ \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

Date: \_\_\_\_\_, 20\_\_

**SCHEDULE G**  
**TO**  
**~~THE SPORTS SECTION, INC.~~**  
**TSS PHOTOGRAPHY, INC.**  
**FRANCHISE AGREEMENT**

**BACKGROUND SCREENING AUTHORIZATION AND CONSENT**

**BACKGROUND SCREENING AUTHORIZATION AND CONSENT**

(Owner, Officer, Director, Manager, Employee)

The undersigned is an owner, officer, director or an employee of a franchise of ~~The Sports Section~~**TSS Photography**, Inc. (the "Franchisor") under that certain ~~The Sports Section~~**TSS Photography**, Inc. Franchise Agreement entered into by Franchisee and Franchisor dated \_\_\_\_\_, 20\_\_ (the "Franchise Agreement").

In connection with my association with the Franchisee, I acknowledge and understand that it is necessary for Franchisor to protect the safety and integrity of its customer and franchise base, and to do so, Franchisor has established a required criminal record investigation and background screening program (Certified Safe), provided by Southeastern Security Consultants, Inc.1, for its franchise system.

I, \_\_\_\_\_, the undersigned, hereby authorize and consent to such investigation and screening. I understand and agree that such information may be obtained either in writing or verbally via telephone and will be held in complete confidence. Furthermore, any person, firm or organization providing such information or records in accordance with this authorization and consent is released from any and all claims of liability for compliance.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_, 20\_\_

Print Name: \_\_\_\_\_

SSN: \_\_\_\_\_ DOB: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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1 Southeastern Security Consultants, Inc. is the exclusive provider of this service recommended by the National Alliance for Youth Sports (NAYS).