

FRANCHISE DISCLOSURE DOCUMENT



BABES FRANCHISING LLC
A New Jersey limited liability company
400 Hazel Street, Neptune, NJ 07753
732-890-0977
hello@babesinbusinessnj.com
babesinbusinessnj.com

As a franchisee, you will host and facilitate group events under the name “Babes in Business” which provide professional networking and workshops designed to help women connect and grow their companies, brands and products, regardless of their stage of business.

The total investment necessary to begin operation of a Babes in Business franchise is from \$20,575 to \$21,300. This includes \$11,800 that must be paid to us as the franchisor or our 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 Jennifer Chavez, Babes Franchising LLC, 400 Hazel Street, Neptune, NJ 07753, 732-890-0977, hello@babesinbusinessnj.com.

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 30, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only BIB Franchise in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Babes in Business franchisee?	Item 20 or Exhibits E and F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New Jersey. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New Jersey than in your own state.
2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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EXHIBITS

- Exhibit A – State Administrators/Agents for Service of Process
- Exhibit B – State Specific Addendum to Franchise Disclosure Document
- Exhibit C – Franchise Agreement with Exhibits
- Exhibit D – List of Current Franchisees
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- Exhibit G – Table of Contents of Confidential Operations Manuals
- Exhibit H – General Release
- Exhibit I - Pre-Closing Questionnaire
- Exhibit J – State Effective Dates
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

Babes Franchising LLC, a New Jersey limited liability company (“we” or “us” or “our” or “**Babes Franchising**”), is the franchisor. We and our affiliates have our principal place of business at 400 Hazel Street, Neptune, NJ 07753. We were formed on July 13, 2021. We conduct business under the name and mark “Babes in Business” and related names, marks and slogans.

We are a franchising company which promotes and sells franchises for the operation of BIB Franchises. We do not own or operate a business of the type being franchised, although, our affiliate, Babes in Business LLC, operates a “Babes in Business” Business in Asbury Park, NJ. For purposes of this Disclosure Document, each “Babes in Business” Businesses shall be known as “BIB Business”. Neither we nor our affiliates have offered franchises in any other line of business or engaged in any business activities other than those described in this Disclosure Document. We began offering license opportunities in November of 2019 and currently have three licensees operating under the mark Babes in Business™. We first began offering franchises in 2022.

Our agent for service of process is Jennifer Chavez. Her principal business address is 400 Hazel Street, Neptune, NJ 07753. If we have an agent for service of process in your state, we disclose that agent in Exhibit A.

Our Parents, Affiliates and Predecessors

We have no predecessors or parents.

Babes in Business LLC, a New Jersey limited liability company, is our affiliate and is the original BIB Business that was created in 2017 by our Founder, Jennifer Chavez, in Asbury Park, New Jersey. It shares a principal place of business with us at 400 Hazel Street, Neptune, NJ 07753.

We are party to an intellectual property license agreement with our affiliate, Babes IP, LLC (“**Babes IP**”), a New Jersey limited liability company formed on July 13, 2021 solely to be the holder of Babes Franchising LLC’s intellectual property. Babes IP’s principal business address is 400 Hazel Street, Neptune, NJ 07753.

We have no other predecessors or affiliates that offer franchises in any line of business or provide products or services to you on our behalf. We have no business other than offering franchises and assisting franchisees, and we have never offered franchises for any other type of business other than those described herein. We do not conduct business under any other name.

The Franchise Offered

We are offering franchises for businesses that operate under the name “Babes in Business,” (each a “**BIB Franchise(s)**” or a “**BIB Business**”). Each BIB Franchise is established and operated using the format and system we developed (the “**Babes in Business System**”), and will host and facilitate group networking and development events (each a “**BIB MeetUp**” or a “**BIB Event**”) within their Territory, which provide professional networking, development services for a predominantly female community. BIB MeetUps are designed to help women connect and grow their companies, brands and products, regardless of stage of their business.

Franchises feature and operate under the Proprietary Marks (as described below). All products and

services offered for sale at a BIB Franchise are subject to our approval.

BIB Franchises are characterized by our Babes in Business System. Some of the features of our Babes in Business System include (a) uniform procedures, standards and specifications;(b) training and assistance; and (c) marketing and promotional programs. We may periodically change and improve the Babes in Business System.

A BIB Franchisee will plan, promote, and host BIB MeetUps and Events a minimum of six times per year. Each BIB MeetUp event will typically last three and a half hours (not including setup or break down time). BIB Franchises will be responsible for securing venues, speakers and vendors for each BIB MeetUp and BIB Event they host. Each BIB MeetUp and Event must be conducted in strict accordance with our specifications to ensure that all events are consistent with the Babes in Business brand and mission.

You must operate your BIB Franchise in accordance with our standards and procedures, as set out in our Confidential Operations Manuals (the “**Manuals**”). BIB MeetUps and Events must conform to all applicable specifications as set forth in the Manual including minimum vendor count, vendor selection and category mix (including prohibited categories), non-profit involvement and event attendance goals (which may vary by event). We will lend you a copy of the Manuals for the duration of the Franchise Agreement (or, at our option, we may make these available to you electronically). In addition, we will grant you the right to use our marks, including the mark “Babes in Business” and any other trade names and marks that we designate in writing for use with the Babes in Business System (the “**Proprietary Marks**”). We may modify the Proprietary Marks or substitute new Proprietary Marks. See Items 13 and 14 for additional information regarding the Proprietary Marks and the Manuals.

BIB Franchises are only granted the right to plan, promote and host BIB MeetUps or BIB Events and to sell BIB Memberships in accordance with our specifications, they will not be granted the right to operate a “Babes School” or any other similar educational, developmental or training career-oriented program for less experienced females, to form or operate a Babes directory, gift guide or anything similar absent express approval from us. Babes Franchising, LLC, Babes in Business LLC and their affiliated entities shall, at all times, maintain all rights in connection with Babes School and similar programming, as well as the right to administer the BIB Membership program. Babes Franchising, LLC, Babes in Business, LLC and their affiliated entities expressly reserve the right to require you to advertise, market or promote Babes School, Babes Memberships and/or any similar program established by us or our affiliates at your BIB MeetUps, on your BIB website and on any other approved social media platforms.

Franchise Agreement

We offer to enter into franchise agreements (“**Franchise Agreements**”) (included as Exhibit C to this Disclosure Document) with qualified legal entities and persons (“**you**”) that wish to establish and operate BIB Franchises. (In this Disclosure Document, “you” means the person or legal entity with whom we enter into an agreement. The term “you” also refers to the direct and indirect owners of a corporation, partnership, or limited liability company that signs a Franchise Agreement as the “franchisee”).

Under a Franchise Agreement, we will grant you the right (and you will accept the obligation) to establish a BIB Franchise within an agreed-upon geographical area (the “**Territory**”). (In this Disclosure Document, the term “**Franchised Business**” means the BIB Franchise franchised to you under a Franchise Agreement.)

If you are not an individual, then you must designate one of your owners, who must be an individual person with at least a ten percent (10%) ownership interest in the franchisee legal entity, and who must be reasonably acceptable to us to assume the full-time responsibility for daily supervision and operation of the Franchised Business (the “**Designated Principal**”).

Non-Use and Non-Disclosure Agreement

You will be required to sign a Non-Use and Non-Disclosure Agreement prior to receiving information from us we deem to be confidential. This Non-Use and Non-Disclosure Agreement is included as Exhibit D to this Disclosure Document.

The Market and Competition

The market for networking and referral services, as well as businesses like ours, is well developed and competitive. You will serve the general public and will compete with a variety of businesses, from locally owned to national and chain businesses. These businesses compete on the basis of factors such as price, service, location and quality. These businesses are often affected by other factors as well, such as changes in consumer habits, economic conditions, population and travel patterns.

We may establish other BIB Franchises in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products and/or services in your area. Also, we may sell related products through wholesalers, distributors, the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, whether or not located in your area. See Items 12 and 16 for a description of your permitted and restricted activities and rights, as well as our permitted and restricted activities and rights. To the extent your Franchised Business may be located near another Franchised Business, you may appear to or actually compete with other BIB Franchises.

Industry Specific Regulations

You must comply with all local, state and federal laws that apply to your Franchised Business operations, including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and may affect your choice of venue for your BIB Business meetings. There may be other laws, rules or regulations which affect your Franchised Business, including laws concerning the protection of customers' credit card numbers and financial data, minimum wage and labor laws, as well as The Affordable Care Act.

We are not obligated to provide you with guidance about these laws and regulations and you are solely responsible for knowing about and complying with all laws and regulations applicable to your Franchised Business. We recommend that you consult with your attorney for an understanding of these laws.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at: <http://www.treasury.gov/offices/enforcement/ofac/sdn>.

ITEM 2
BUSINESS EXPERIENCE

Jennifer Chavez: Founder & Franchise Director

Jennifer Chavez is Founder and CEO of Babes in Business. She has held this title since October of 2016. Babes in Business was created to bring strong and inspired women together, help women build bigger communities and make larger incomes. Jennifer is also the Founder and CEO of Helpful Rabbit, a title which she has held since January of 2013. Helpful Rabbit assists its clients with website design, social media management and branding. In addition, Jennifer has been a partner at the Asbury Park Bazaar since December of 2017.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item,

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement you must pay us an initial franchise fee of \$10,000 (the “**Franchise Fee**”).

In our sole discretion, we may authorize certain qualified franchisees to pay the Franchise Fee in installments rather than as a lump sum. If we authorize you to do so, you will pay us \$5,000 at the time the Franchise Agreement is signed and another \$5,000 on or before the 365th day after signing the Franchise Agreement.

The Franchise Fee is uniform for all franchisees. The Franchise Fee will be fully earned when paid and non-refundable in consideration of administrative and other expenses we incur in entering into the Franchise Agreement.

During our most recently completed fiscal year, we collected initial franchise fees ranging from \$0 to \$10,000.

Start Up Package

Prior to commencing operations, we will provide you with a Start Up Package that includes an initial inventory of branded merchandise as well as a branded neon sign, branded tablecloth, and branded stickers. The fees due for these items are non-refundable upon payment. The total cost for the Start-Up Package is \$1,800.

Aside from the Initial Franchise Fee and Start Up Package, currently there are no additional fees or items required to be purchased from us or our affiliates prior to opening.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Date Due	Remarks
Royalty ("Royalty Fee")	15% of Gross Revenues .	Monthly on the 7th day of each month based on the Gross Revenues for the preceding month. (Note 2).	See Note 2.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Marketing Fund Fee	Up to 2% of gross sales	Payable Monthly.	You pay the monthly Marketing Fund Fee to us. (See Note 2)
Local Marketing Requirement	Up to 1% of Gross Sales	Payable Monthly.	You must expend the specified amount on local advertising, marketing, sponsorships, public relations and promotions in accordance with the guidelines we provide. You must use only approved materials that we provide to you or approve in advance.
Local Marketing Deficiency Fee	Up to 1% of Gross Sales	Monthly expenditures required to be spent by you on local marketing/advertising.	Uniformly Imposed. If you fail to expend the Local Marketing Requirement, we have the right to require you to pay us any unexpended amounts.
Minimum BIB Branded Merchandise	\$1,000 - \$4,000.	Prior to opening; As Incurred.	You must purchase certain minimum BIB Branded Merchandise in accordance with our specifications. During your first year, you must purchase at least \$1,000 of BIB Branded Merchandise prior to opening. During your second and every subsequent year of operations, you must purchase a minimum of \$1,000 in BIB Branded Merchandise from us or our affiliate every quarter.

Credit Card Processing Fees	Actual Cost (currently, up to 3% of each transaction)	Payable Monthly.	If we incur credit card processing fees in connection with payments made for the products and services you provide, we will require you to pay us for such fees accordingly. If you process payments yourself, you may incur these costs directly.
Shipping Costs	Actual Cost	Upon Demand.	If we incur shipping costs to ship any merchandise or supplies to you, we will invoice you for the cost of shipping and you must reimburse accordingly. Payment must be received within thirty (30) days of the invoice date. Failure to remit payment within 30 days will subject you to a late fee as set forth below.
Additional training and assistance	Our hourly charge (which is currently \$150/hour, plus our out-of-pocket costs), per trainer.	Upon Demand.	If we require, in our sole discretion, that you receive additional training from us at your Franchised Business or if you ask that we (a) provide additional training, or (b) conduct at your Franchised Business any training session that we offer at our location, and we do so, then you will have to pay our then-current per-diem charge for extra training. See Item 11 under the heading "Training."

<p>Quarterly Training Meetings</p>	<p>Our hourly charge (which is currently \$150/hr plus our out-of-pocket costs to host the training).</p>	<p>Prior to Meeting; every quarter.</p>	<p>Once per quarter you may be required to participate in a training meeting to discuss topics we shall determine in our sole discretion. If we host a quarterly training meeting, you must participate. The training will take place over the phone or using our designated virtual meeting platform. The duration of each quarterly meeting will vary; however, in no instance will any one quarterly meeting last more than three hours. See Item 11 under the heading "Training."</p>
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Type of Fee (Note 1)	Amount	Date Due	Remarks
Technology Fee	Up to \$800/month (currently, \$350/month)	Payable monthly on the 7th of each month along with your royalty fee payments.	You will be granted access to our proprietary intranet and web-based applications (including POS functionality) for the management of your Franchised Business. We will provide you with an email account for your BIB Business and will host a website for your Franchised Business which will be located on our (or connected to) primary website. We reserve the right to add/modify/eliminate technological services we provide in our sole discretion and we reserve the right to reduce or increase the Technology Fee (up to a maximum of \$800/month) in our sole discretion. See Item 11 under the heading "Computer System"
New Supplier Request Fee	Our actual costs.	Upon submission of new supplier request	If you request our permission to use a new supplier, product or supplier, you must submit a new supplier request in writing. You must reimburse us for all costs (including a reasonable charge for our time) we incur, including but not limited to product and supplier testing, visiting the facility.
Transfer Fee	\$3,500	At time of transfer.	Payable only if you make a transfer (as defined in the Franchise Agreement), which includes any sale or assignment of your franchise or your company. We do not impose a fee for a transfer to a corporation you form for the convenience of ownership.

Renewal Fee	An amount equal to 50% of our then-current initial franchise fee	Before renewal.	The Franchise Agreement may be renewed after an initial term of 10 years. You will only need to pay this fee if you renew the Franchise Agreement.
Relocation Fee	\$2500	Before relocation.	If we approve your request to relocate your territory, You must pay us a Relocation Fee prior to relocating.
Late Fee and Interest on Overdue Payments	A late fee equal to 5% of your overdue amount, and interest equal to 1.5% per month (but not more than any maximum rate set by law).	At time the Overdue Payments are paid.	Only due if you don't pay us the amounts you owe on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due.
Fine for Failure to Host Minimum Required BIB MeetUps or Events	\$1500 for each required event you fail to host	Upon Demand.	You must plan, promote, and host a minimum of six BIB MeetUp/ Events each year. If you fail to host all required events, we reserve the right to charge you a fine equal to \$1500 for each event you fail to host.
Prohibited Product or Service Fine	\$1,000 for the first violation; \$5,000 for the second violation; and \$10,000 for the third violation.	If incurred	Payable if you sell or utilizes a product or perform any services that we have not prescribed, approved or authorized, or conduct your BIB Business or BIB MeetUps in violation of our standards, or communicate in any way with our members, attendees or the general public in violation of the Franchise Agreement or the Manuals. No more than three such violations will be permissible; the fourth violation will be considered an incurable default after which we may terminate the Agreement.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Annual Conference, Convention or Retreat Fee and Fine	Actual Cost plus a 10% administrative fee.	If incurred	If we require you to attend an annual conference or retreat, you shall be required to reimburse us for our actual costs in hosting the event plus an administrative fee of 10%. You shall also be responsible for any travel or lodging costs you incur in attending such event.
Audit Expenses	All costs and expenses associated with the audit, reasonable accounting and legal costs.	Upon Demand.	Payable only if we audit and the audit discloses an understatement in any statement or report of 3% or more. (You will also have to pay the monies owed and interest on the underpayment (see “interest” above).)
Operational Deficiency Expenses	Actual Cost + Administrative Fee of 10%	Upon Demand.	We have the right, but not the obligation, to correct any operational deficiencies which we may discover as a result of inspections of the Franchised Business or attendee surveys, which may be susceptible to correction by us, and to charge you our actual costs of doing so plus an administrative fee of 10% for our efforts.
Insurance Procurement	Actual Cost + Administrative Fee of 20%	Upon Demand.	We have the right (but not obligation) to buy insurance coverage if you do not do so, and to charge you our actual costs of doing so plus an administrative fee of 20% for our efforts.
Costs and Attorneys’ Fees	Will vary under circumstances.	Upon Demand.	Due only if you are in default under the Franchise Agreement, in which case you must reimburse us for the expenses we incur (including reasonable attorneys’ fees) as a result of your default and to enforce and terminate the Franchise Agreement.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Indemnification	Will vary under circumstances.	Upon Demand.	You must reimburse us if we are sued or held liable for claims arising from your operation of the Franchised Business, as well as your use of the Proprietary Marks in a manner inconsistent with our instructions, and any transfers or securities offerings that you propose, subject to state law.
Liquidated Damages	Will vary under circumstances.	Termination effective date.	If we terminate your Franchise Agreement due to your default, you must pay us liquidated damages on the termination effective date, in a lump sum amount determined in accordance with the following calculation: liquidated damages are determined by multiplying the combined monthly average of Royalty Fee, Marketing Fund Fee and Technology Fee contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with date you open your BIB Business through the date of early termination, multiplied by the lesser of: (i) 36 months, or (ii) the number of full months remaining in the term, except that Liquidated Damages will not, under any circumstances, be less than Ten Thousand Dollars (\$10,000). If any applicable law or regulation of a competent governmental authority having jurisdiction over the Franchise Agreement limits your ability to pay these liquidated damages to us, you will be liable to us for any and all damages which

			we incur as a result of your default under the Franchise Agreement. This amount is in addition to your obligations to pay other amounts due to us under the Franchise Agreement up to the date of termination.
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1. Except as otherwise noted in this Item 6, we impose and collect all of the fees described above. None of these fees are refundable. All of the fees described above in this Item 6 are uniform for all franchisees, although, we reserve the right to, in writing, approve granting franchises with lower royalty fees in certain limited circumstances. Before varying from standard fees, we will take into account many factors, including prior experience and financial capabilities. We may offer incentives in new or developing markets. Incentives may be offered to new and/or existing franchisees. We anticipate that any reduced fees will only apply to franchisees who are in compliance with all of our agreements and requirements. We are not currently offering an incentive program, but may do so in the future. We reserve the right to cancel or modify any future incentive program we may offer. You will not be entitled to receive the benefits of any such incentive programs unless agreed by us in writing.

2. “Gross Sales” and “gross revenues” defined herein means the total amount of all revenue derived from operating the Franchised Business, including, but not limited to, all revenues received by You and Your Related Parties for all services and sales, including but not limited to all registration fees, ticket sales, vendor fees, vendor applications, online gift guides, pop up events, Babe Made events, BIB events, BIB Membership fees, advertising revenue from social media or events, vendor table sponsorships, and any other goods or services sold during the course of operating the franchise, including but not limited to cash, check, credit card, barter or trade, in whole or in part, excluding any amounts collected for state and local sales taxes from the BIB Business, within an accounting period.

Your obligation to begin paying monthly royalties begins at the earlier to occur of (a) the Start Date specified in the Franchise Agreement; or (b) the day Your BIB Business holds its first event. This means royalties may be due before the franchised business holds its first event.

You must pay your royalties and continuing fees in the manner we specify (currently, you will be invoiced via QuickBooks and make payments to us electronically, however, we will be moving to an automated electronic funds transfer (EFT) arrangement shortly and will notify you once it is effective. In order to make arrangements for shifting to an EFT system, you must sign our current form of Authorization Agreement for Prearranged Payments (Direct Debits), which is an Exhibit to the Franchise Agreement (see Item 22).

You must use the point-of-sale system or commercial billing service and its supplied computer program as we designate to process registration fees, ticket sales, product sales, dues, payments, advertising, sponsorships, vendor fees, and all other BIB activity and other fees. You may only accept payment using the payment methodologies set forth in the Manual; You may not accept payment using Venmo or any similar service. You must instruct and authorize the commercial billing service to credit to our bank account the applicable royalty percentage and continuing advertising fees. All credits to us for amounts billed or received during each month are to be credited to us on or about the 7th of each month for the preceding month, unless we designate a different day. We reserve the right to modify the manner and method through which you must pay your Royalty Fees, Marketing Fund Fees and other fees due to us under the Franchise Agreement at any time upon notice to you. You are required to immediately comply with all changes.

You must also allow the commercial billing service to allow us to access and review all of your records relating to your BIB Business operations, including your database and receivables.

Royalty Fee and other continuing fees are due on the 7th day of each month will be based upon Gross Revenue for the prior month period. We reserve the right to modify the royalty and continuing fee payment periods at any time.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 2)	\$10,000	Lump sum	When you sign the Franchise Agreement	Us
Business Licenses & Permits (Note 3)	\$75 - \$300	As arranged	As incurred	Local and other state government agencies
Computer and Related Technology (Note 4)	\$2000	As arranged	As incurred	Approved Suppliers
Other Professional Fees (Note 5)	\$1000	As arranged	As arranged	Various service providers
Insurance Deposit (Note 6)	\$500 - \$1000	As arranged	As arranged	Insurance providers
Start Up Package (Note 7)	\$1,800	As arranged	As incurred	Us, our affiliates or Approved Suppliers
Travel, Lodging, Meals Etc. for Initial Training (Note 9)	\$200-\$2,000	As arranged	No Payment Required	Approved Suppliers and your employees

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds (for the initial 3 months of operations) (Note 9)	\$5,000	As arranged	As needed	Approved Suppliers, employees and other creditors
TOTAL ESTIMATED INITIAL INVESTMENT	\$20,575 - \$21,300			

Explanatory Notes to Item 7 Table:

1. **General** – We do not impose or collect the fees or costs described in this Item 7, except for the items noted with “Us” in the column labeled “To Whom Paid.” Except as described below, all fees and amounts that you must pay to us are non-refundable. For any amounts paid to third parties, the availability and conditions under which you may obtain refunds will depend on the terms offered by those third-party suppliers. We may provide financing for a portion of the Franchise Fee. See Item 10 for additional details. Our estimates in this Item 7 are based on our current prototype for BIB Franchises, our management team’s experience in establishing and operating BIB Business, and our knowledge of business practices and conditions in the general marketplace. They are, however, only estimates and by their nature may change from time to time and may vary from location to location. The figures do not provide for your cash needs to cover financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and developmental stage of your business, the actual duration of which will vary materially from location to location and cannot be predicted by us for your Franchised Business (and which may extend for longer than the three month “initial period” described in Note 10 of this Item 7). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start- up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Franchised Business, which will in turn depend upon factors such as the demographics and economic conditions in the area in which your Franchised Business is located, the presence of other BIB Franchises, public awareness of our business, your ability to operate efficiently and in conformance with the Babes in Business System, and competition. Because the exact amount of reserves will vary and cannot be meaningfully estimated, we urge you to carefully review these figures and the figures you obtain from your own inquiries with an experienced business advisor, such as an accountant or consultant, or a legal advisor, before making any decision to purchase a BIB Franchise or any other franchised business.

2. **Franchise Fee** – When you sign the Franchise Agreement you must pay us a Franchise Fee of \$10,000 for the right to establish a BIB Franchise. The Franchise Fee is uniform for all franchisees. The Franchise Fee is non-refundable. See Item 5 for further details regarding the Franchise Fee. We may provide financing for a portion of the Franchise Fee. See Item 10 for additional details.

3. **Business Licenses and Permits** – These are general estimates for permits and licensing that may be required by local and state governments. Local, municipal, county and state regulations vary on the licenses and permits you will need to operate a BIB Franchise. You will pay these fees to governmental authorities before starting business. You are solely responsible for obtaining all appropriate licenses and permits.
4. **Computer System and Related Technology** - You must purchase or lease specified computers and related hardware, along with required third party software necessary to operate the Franchised Business and as specified in the Manual. You may use computer hardware that you already own, if such hardware meets with our approval. The estimate includes the costs for the items that we currently require. We may periodically require franchisees to update their computer systems (hardware and software) to our then-current standards. See Item 11 under the heading “Computer System” for additional information.
5. **Professional Fees** – The estimate assumes that you will employ an attorney, accountant, and other consultants to help you evaluate our franchise offering and your establishment of a new business, and in obtaining all required permits and licenses to establish and operate the Franchised Business. In addition, you may also form a corporation or other entity to operate the business. Your actual costs may vary substantially, for example, depending on the degree to which you rely upon your advisors and upon the licensing requirements that may apply to your Franchised Business.
6. **Insurance Deposit** – You must obtain general liability insurance in the amounts specified in the manual. Insurance may be obtained on an annual basis or per event in advance of each event. You must include Babes Franchising as an additional insured on each policy and you must submit a certificate of insurance to Babes Franchising prior to each event (or initially and upon policy renewal if an annual policy is obtained). Insurance costs will vary depending upon factors such as the size and location of the Franchised Business and whether you elect to purchase an annual policy or as needed policy. We estimate that an annual policy will cost no more than \$1000. You may purchase insurance from your own agent or from one of the insurance suppliers designated in the Manual. Your obligations with respect to insurance are more fully described in Item 8.
7. **Start Up Package** – Prior to commencing operations, You must purchase the Start Up Package from us for \$1,800. The Start Up package will include an initial inventory of branded merchandise as well as certain other branded items including neon sign, tablecloth, and stickers. You will be required to, at your sole cost and expenses, replenish such merchandise as necessary throughout the term of the Franchise Agreement in order to maintain inventory levels in the amounts set forth in the Manual. Accordingly, beginning during your second year of operations, You will be required to purchase at least \$1,000 of BIB Branded Merchandise from us or our affiliate every quarter.
8. **Training Expenses** – We will provide You initial training as set forth in Item 11 at no charge. As part of your Initial Training, you may be required to attend one BIB MeetUp hosted by our affiliate or another franchisee. There will be no cost to attend the event; however, you will be responsible for any travel costs incurred by you. The remainder of the initial training will be done virtually and will not require you to travel; however, in the event that travel is required, you shall be responsible for all travel costs incurred (including but not limited to transportation, hotel, meals, etc.). The low range of this estimate assumes minimal travel will be required; the high range of this estimate assumes that airfare, lodging and dining costs may be incurred. See Item 11 under the heading “Training” for additional details regarding the program.
9. **Additional Funds** – You may need additional capital to support on-going expenses to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount shown in the chart above will be sufficient to cover on-going expenses for the start-up phase or initial period of the business, which we calculate to be three months. Our estimates

in this Item 7 are based on the experience of our affiliates and licensees operating a BIB Business and our knowledge of business practices and conditions in the general marketplace. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the products and services; rental rates charges by venues in your territory, competition; attendance levels achieved during the initial period of operations; and your management and training experience, skill, and business acumen. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the “initial period” of your business, which is defined as three months or a longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period” for our industry, so our disclosures cover a three-month period.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications as we may from time to time prescribe in the Manuals or otherwise in writing.

Products and Other Purchases

General

All products and services sold or offered for sale at the Franchised Business must meet our then-current standards and specifications and be approved by us. You must purchase and use all equipment, signs, décor, supplies, services, products, merchandise, marketing materials, promotional programs, computers, point of sale and communications hardware and software, as we may reasonably require in the Manuals or other written materials (collectively, “**Business Items**”). Unless we expressly authorize otherwise, You must purchase all additional products and Business Items solely from manufacturers, distributors, providers and suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manuals or otherwise in writing. We encourage the development of relationships with suppliers within your BIB Business’s local community and anticipate granting approval to make purchases from such suppliers when possible. You may not purchase, offer or sell any products or services, or use at your Franchised Business any products or Business Items, that we have not previously approved as meeting our standards and specifications. We and our affiliates have the right to be or become an approved supplier of any items at any time; currently, we are the only approved supplier of the BIB merchandise that we require you to sell through your Franchised Business. We may disapprove of products/services and suppliers based on our desire to consolidate Babes in Business System purchases through fewer suppliers. We may designate a single supplier, which may be us or one of our affiliates, for any Business Item, in which event you must purchase such items exclusively from the designated supplier.

If you desire to purchase unapproved products or Business Items from other than approved suppliers, you must submit to us a written request to approve the proposed product or supplier, together with such evidence of conformity with our specifications as we reasonably require. We will use our best efforts to complete our review within three months. If we do not give our written approval within this three-month period, we will be deemed to have disapproved the proposed new supplier.

We reserve the right to revoke our approval of any supplier, Business Item, product or service at any time for any reason. We will send written notice of any revocation of a designated supplier, Business Item, product or service. You must immediately stop purchasing disapproved products and/or services, or must immediately stop purchasing from a disapproved supplier, by the date

specified in our written notice informing you of the revocation.

Our specifications either: (1) are contained in the Manuals; or (2) will be provided to you upon request. We, however, have no obligation to make available to prospective suppliers the standards and specifications that we deem confidential. When approving suppliers, we consider whether they demonstrate the ability to meet our standards and specification and whether they possess adequate quality controls and capacity to supply your needs promptly and reliably. However, our approval may be withheld for any reason.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the BIB Franchises in our Babes in Business System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the Babes in Business System or the franchised network of BIB Franchises. There are currently no purchasing or distribution cooperatives in our Babes in Business System.

Babes Franchising LLC and/or its affiliates may receive payments and/or other compensation from approved suppliers in any form on account of such suppliers' dealings with You and/or other franchisees; and Babes Franchising LLC and/or its affiliates may use all amounts it receives for any purpose we and/or its affiliates deem appropriate. You acknowledge and agree that we shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits (collectively, "**Allowances**") offered by suppliers to You or to us or our affiliates based upon Your purchases of goods and services. You assign to us or our designee all of Your right in, title to and interest in any and all such Allowances. You authorize us or our designee to collect and retain any and all such Allowances without restriction.

We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. During our last fiscal year, neither we nor our affiliates derived any revenues from the required purchases and leases of products and services by franchisees.

We estimate that your purchases from approved suppliers will represent approximately 25% of your total purchases in establishing the Franchised Business, and approximately 10% to 25% in the continuing operation of the Franchised Business. We also estimate that your purchases that must conform to our specifications will represent approximately 25% of your total purchases in establishing the Franchised Business, and approximately 10% to 25% of your total purchases in the continuing operation of the Franchised Business.

We provide no material benefits to franchisees based on their use of suppliers or sources we approve. Except as otherwise disclosed above, no officer of ours owns an interest any approved supplier.

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system that we may specify from time to time. You may use computer hardware that you already own, if such hardware meets with our approval. See Item 11 under the heading "Computer System" for more information.

Insurance

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchised Business. Required insurance will include, but not be limited to, comprehensive general liability coverage, including employment practices coverage; personal injury coverage; automobile coverage, including underinsured or uninsured coverage. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us and our affiliates as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Manuals. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for BIB Franchises. If we do so, we may require that you obtain your insurance through the designated carrier(s).

Presently we require you to maintain comprehensive general liability insurance with limits of at least \$1,000,000 per occurrence, and \$1,000,000 general aggregate, and additional insurance coverage as we may otherwise require.

We do not derive revenue as a result of our franchisees purchasing insurance coverage from designated carriers. We provide no material benefits to franchisees based on their use of an approved insurance carrier.

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	Section(s) in Franchise Agreement	Item in Disclosure Document
(a) Site selection and acquisition / lease	Not Applicable	Not Applicable
(b) Pre-opening purchases/leases	Not Applicable	Not Applicable
(c) Site development and other pre-opening requirements	Section 5	7, 8 and 11
(d) Initial and ongoing training	Section 6	6, 7 and 11
(e) Opening	Section 5	7, 8 and 11
(f) Fees	Sections 4 and 13	5 and 6
(g) Compliance with standards and policies/Operating Manual	Sections 8, 10, and 13	8, 11, and 14
(h) Trademarks and proprietary information	Sections 8, 9, and 10	13 and 14

(i) Restrictions on products/services offered	Sections 1.2, 8,	5, 8 and 16
(j) Warranty and customer service requirements	Sections - and 23	16
(k) Territorial development and sales quotas	Section 1	12
(l) On-going product/service purchases	Section 8	8
(m) Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
(n) Insurance	Section 15	7 and 8
(o) Advertising	Section 14	6, 7, 8, and 11
(p) Indemnification	Section 22.4	6

Obligation	Section(s) in Franchise Agreement	Item in Disclosure Document
(q) Owner’s participation / management and staffing	Sections 8.4 and 8.5	15
(r) Records/reports	Section 12	6
(s) Inspections/audits	Section 13.3	6 and 11
(t) Transfer	Section 11	17
(u) Renewal	Section 2.2	17
(v) Post-termination obligations	Sections 17 and 18	17
(w) Non-competition covenants	Section 18 and 19	17
(x) Dispute resolution	Section 27	17
(x) Liquidated Damages	Section 18.1	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, we are not required to provide you with any assistance.

Pre-opening Obligations

Under the Franchise Agreement. Before you open your Franchised Business:

1. We will provide you with our standard initial training program for up to 2 trainees. (Training is also discussed below in this Item 11 under the subheading “Training.”) We will be responsible for the cost of instruction and materials, subject to the terms stated in the Franchise Agreement. (Franchise Agreement, Sections 3.1, 6)

2. We will lend you, for the duration of the Franchise Agreement, copies of the Manual (which is more fully described in Item 14 below). (Franchise Agreement, Section 3.2)

3. We may establish and maintain a website and intranet in connection with the Babes in Business System (collectively, the “**Babes in Business Technology**”). We will direct all aspects of the Babes in Business Technology, in our sole discretion. We may modify or discontinue the Babes in Business Technology at any time. (Franchise Agreement, Section 3.3)

4. We will review and shall have the right to approve or disapprove all advertising, marketing and promotional materials and efforts that you propose to use. (Franchise Agreement, Section 3.4)

5. We will provide you with a Start Up Package that will include an initial inventory of branded merchandise as well as certain other branded items including neon sign, tablecloth, and stickers. You must pay us \$1,800 for the Start Up Package. (Franchise Agreement, Sections 3.8, 4.2)

6. We will provide you a list of our then-current designated or approved suppliers. (Franchise Agreement, Section 3.10)

The Franchise Agreement does not require us to provide any other assistance or services to you prior to opening your Franchised Business.

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you. During the operation of your Franchised Business:

1. We may conduct, as we deem advisable, periodic inspections of the Franchised Business. (Franchise Agreement, Sections 3.9, 8.12)

2. We will make available additional training programs, as we deem appropriate. (Franchise Agreement, Sections 6.5)

3. We may maintain the Babes in Business Technology. We will direct all aspects of the Babes in Business Technology, in our sole discretion. We may modify or discontinue the Babes in Business Technology at any time. In exchange for these services, you will pay us a Technology Fee of up to \$800/month (currently \$350/month). We reserve the right to provide technology services ourselves or using one or more third-party service providers, or any combination thereof. (Franchise Agreement, Section 3.3)

4. We may provide periodic advice or offer guidance to you in the marketing, management, and operation of the Franchised Business, as we determine. Prior to each of your first three BIB MeetUps, we will provide you with one phone call consultation not to exceed thirty (30) minutes in duration to discuss event details, location, vendor applications and selection, decorations, social media promotion, any event related questions. These consultation calls prior to your BIB MeetUps and Events will not be provided on an ongoing basis; they will only be provided prior to your first three BIB MeetUps and Events. (Franchise Agreement, Section 3.6)

5. We will, in our sole discretion, host quarterly training calls to focus on topics related to the operation of your BIB Franchise. If we host a quarterly training call, You must attend and you will pay us \$150/hour for each call, plus reimburse us for our actual costs in hosting the call. (Franchise Agreement, Section 6.6)

6. We will provide BIB Business meeting agendas, sample questions and meeting content. (Franchise Agreement, Section 8.7)

7. We will provide an e-mail for e-mailing BIB Business attendees, members and followers. You may not deviate from using the Babes in Business System platform we provide. We reserve the right to dictate email timing and cadence and reserve the right to alter email policies and procedures, which shall be set forth in the Manuals or otherwise in writing. (Franchise Agreement, Section 8.6)

8. We will review and shall have the right to approve or disapprove all advertising, marketing and promotional materials and efforts that you propose to use. (Franchise Agreement, Section 3.4)

9. We will approve or deny your requests to sell third-party advertising (including any unrelated businesses that you may own in whole or in part) for placement on your social media accounts and, if approved, we will provide third-party advertising packages and suggested pricing (Franchise Agreement, Section 3.4).

The Franchise Agreement does not require us to provide any other assistance or services to you during the operation of the Franchised Business. We do not provide you with any assistance hiring, training or managing your employees, staff or vendors.

Venue and Vendor Selection

You are not required to establish an office or to lease office space for the operation of your BIB Franchise.

Before you begin operating your BIB Franchise and before you hold your first BIB MeetUp, you must obtain use of a venue acceptable to us and suitable to host your BIB MeetUps within the Territory (the “**Host Venue**”). The Host Venue is typically a private dining room at a suitable restaurant located within the Territory. You must submit to us any information we request about a proposed Host Venue for our prior written approval in the form we specify. If a Host Venue location meets our standards, we will not unreasonably withhold our approval. Any venue not approved in writing by us will be considered disapproved. If you wish to move your BIB Business meetings to a new Host Venue, the new venue will be subject to our prior written approval.

You will be responsible for identifying appropriate female-owned vendors who will vend or host tables at each of your BIB MeetUp events. BIB Meetups are curated events, which means that vendors for each event are creatively selected to ensure they are in line with the BIB brand, mission and core values and will align with the vibe of your planned BIB MeetUp event. You must strictly adhere to all guidelines and specifications regarding the selection, quantity, curation, and approval of vendors for BIB MeetUp events. All prospective vendors must submit an application form and pay the vendor application fee in accordance with the process and our specifications as set forth in the Manual; upon approval by us, each approved vendor will be required to pay the designated vendor fee and execute a vendor contract prior to being allowed to vend at a BIB MeetUp. We reserve the right, at any time and in our sole discretion, to modify or implement additional specifications, requirements or fees relating to vendors for BIB MeetUp events as well as to modify the vendor applications forms and agreements. We may require, from time to time and in our sole discretion, that you submit any or all prospective vendors to us for approval before you select them for a BIB MeetUp event. While we envision that some vendors will be approved to participate in repeat BIB MeetUps, prior vendor approval does not guarantee approval for future BIB MeetUps as it is important to ensure that we are keeping our BIB MeetUp events vibrant and evolving.

Opening of Franchised Business

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be approximately three months. The factors that may affect this time period are your ability to obtain financing, scheduling of initial training, and obtaining a suitable Host Venue. You must host your first BIB MeetUp in the Territory within three months following the signing of your Franchise Agreement; thereafter, you must host a minimum of six BIB MeetUps or Events each year.

Computer and POS System

You will need to acquire (either by purchase or lease) the computer hardware and software system (a “**Computer System**”) that we may specify from time to time. (Franchise Agreement, Section 7.1.) The

term Computer System refers to the hardware and software for the management and operation of the Franchised Business and for reporting and sharing information with us, and communication systems (including modems, cables, etc.). You must use only computer hardware and software applications that meet our specifications. You must purchase our designated Computer System. The current required Computer System includes: a computer, cellular phone, Square reader, Canava, Drop Box, and either Hootsuite or Planoly. We also strongly recommend, but do not require, that you utilize QuickBooks. Our requirements may change from time to time and you must immediately comply with all such requirements. There are no contractual limitations on the frequency and cost of upgrading or updating your Computer System. Such updates and upgrades shall be done as necessary and are to be done solely at your expense. The price and availability of new computer technologies may fluctuate; however, that will not relieve you of your responsibility to conform to all required Computer System specifications. We estimate that your annual cost to maintain, update or upgrade your Computer System will be between \$200 and \$1000. As of the date of this Disclosure Document, our requirements are described below. We have not approved any hardware or software in place of these systems and programs, although we reserve the right to do so in the future.

We anticipate that your current cost to purchase the required Computer System is approximately \$2000. You may use a phone and computer hardware that you already own, if such hardware meets with our approval. The hardware and software that we describe above is not proprietary to us but is proprietary property to the vendor and you may be required to sign a license or maintenance agreement in order to obtain and use the proprietary program. Currently, we do not require you to purchase tech support services from a designated supplier; however, we reserve the right to require you to do so in the future. from our designated supplier.

You will also be granted access to our proprietary intranet and web-based applications (which also currently includes access to wix.com for point-of-sale functionality) for the management of your Franchised Business. We may modify or discontinue the use of any of these applications. We claim a copyright in our proprietary applications. We reserve the right to implement fees related to our proprietary intranet and web-based applications, which may require up-front and maintenance fees. We currently do not require that you maintain contracts for hardware and software maintenance, support and upgrade services for the communications and information systems. You will be required to maintain a high-speed internet connection at all times (i.e., T1 line, DSL, cable modem) and ensure that you obtain a cellular data plan appropriate in size to enable you to run your BIB Business effectively. We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We reserve the right to modify our Computer System or Point of Sale (POS) system at any time. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for new BIB Franchises. Other than providing you with information regarding our specifications and requirements for the Computer System, we are not required to assist you in obtaining hardware, software or related services. We will endeavor to keep these changes infrequent and reasonable in cost, but the Franchise Agreement does not impose a limit as to the number or cost of such changes to the Computer System.

You must provide us with independent access to your Computer System in the form and manner that we may request. There are no contractual limitations on our ability to do so. We reserve the right to download sales, other data and communications from your Computer System. There is no contractual limitation on our right to receive this information. We will exclusively own all data provided by you (including all follower, member, attendee and vendor information), downloaded from your Computer System, and otherwise collected from your Computer System. We will have the right to use such data in any manner that we deem appropriate without compensation to you. You will face certain risks associated with the lack of contractual limitations on our access to your data, including risk of violation of applicable privacy laws or disclosure of your sensitive client/customer, employee, or company information resulting from cyber security events and/or data breaches.

We will also have the right to establish a website or other electronic system providing private and secure communications (e.g., an extranet or intranet) between us, our franchisees, and other persons and entities that we determine appropriate, which requires you to have high speed internet access at all times. If we require, you must establish and maintain access to the extranet or intranet in the manner we designate. Additionally, we may from time to time prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign. (Franchise Agreement, Section 7.5)

Advertising

We have no obligation to conduct advertising for the franchise system or for your franchised business specifically, but we may use social media, television, radio, other broadcast and/or print media. Media placement may be regional, local or national at our sole discretion. Advertising media, creative concepts, and materials may come from us or from a designated advertising, marketing or public relations firm.

We may provide certain advertising or marketing materials and services to you. Materials provided to you may include video, social media postings, digital ads, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items, and may be local, regional or national at our discretion. We may require that you purchase local advertising and marketing materials from our designated suppliers (Franchise Agreement Section 3.4)

You may not sell third-party advertising on your social media accounts unless we expressly authorize you to do so; we reserve the right to approve or deny your request to sell advertising in our sole discretion, although we anticipate authorizing the sale of advertising on your social media accounts after you achieve a certain minimum follower rate as specified in the Manual. As of the issuance date hereof, although we reserve the right to modify or discontinue this practice at any time, we anticipate, in our sole discretion, authorizing the sale of approved advertising packages upon your achievement of one thousand followers on your social media accounts; we also anticipate, in our sole discretion, adjusting your advertising pricing with each additional one thousand social media followers you achieve. In addition, we may, upon prior written approval, authorize you to utilize your BIB social media accounts to advertise for any unrelated business that you own (in whole or in part) provided that such unrelated business does not, in our sole discretion, compete with the Babes in Business® concept nor have the potential to detrimentally affect the Babes in Business® brand, system, or general reputation. If we authorize you to advertise for your unrelated businesses on your Babes in Business® social media accounts, we may, in our sole discretion, allow you to provide such advertising to your unrelated business free or at a reduced fee. All advertising offers and sales you make shall comply with the advertising package specifications as set forth in the Manual, which we reserve the right to change from time to time in our sole discretion. Any advertising revenue you receive shall be considered as revenue for purposes of calculating Gross Sales as defined in Item 6; in the event that we authorize you to provide free advertising for your unrelated business, you shall not be required to pay royalties on the forgiven advertising revenues.

You may not develop printed advertising materials for your own use. There is no advertising council that will advise us or you on advertising policies. However, you must obtain our prior written approval of the advertising before use. (Franchise Agreement Section 3.4)

Websites

Websites (as defined below) are considered as “advertising” under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term “**Website**” means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or

authorize others to operate and that refers to the Franchised Business, Proprietary Marks, us, or the Babes in Business System. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, the Franchise Agreement provides that you may not establish a Website, nor may you offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through the Internet without our prior written approval. As of the date of this Disclosure Document, we do not anticipate granting you approval to establish or operate a Website other than the one that we provide to you from the systemwide BIB website that we maintain. In the future, we may, in our sole and absolute discretion, grant you permission to establish your own website; however, we reserve the right to condition our approval on any requirement that we deem appropriate.

Local Marketing Requirement

Each month, you must spend at least 1% of your Gross Sales on advertising, public relations, promotions, and/or sponsorships in the local area surrounding your BIB Business (your “Local Marketing Requirement”). You will pay for your ads and promotions directly, but we will provide you with approved local marketing, advertising and promotional plans, marketing and guidelines. All local advertising and marketing must be approved by us and you may not develop your own marketing or advertising collateral. Expenses for employee salaries, wages, travel expenses, and printing and/or distribution do not count towards your Local Marketing Requirement. (Franchise Agreement Section 4.5)

We reserve the right to require you to submit to us, on a quarterly or monthly basis as we designate, a report detailing your Local Marketing expenses (including invoices upon request). If you do not meet your Local Marketing Requirement, or if you fail to otherwise comply with your local marketing obligations, we have the right, in addition to any and all other rights and remedies available to us under the Franchise Agreement and applicable law, to (a) require you to immediately pay all sums you were required to, but failed to expend (“Local Marketing Deficiency”), to the Marketing Fund, (b) require you to spend the Local Marketing Deficiency in the manner designated or approved by us for local marketing purposes, or (c) require you to immediately pay the Local Marketing Deficiency to us to be expended by us or our designee directly in your BIB Business’s area for local marketing purposes.

You must adhere to all specifications and requirements we set forth in the Manual regarding your local advertising and marketing efforts. You may not create your own Website; You must only use the website that we designate for your use and may only utilize social media platforms that we have approved in advance. Under no circumstances will you be permitted to link to, or otherwise direct consumers to, any third-party website or platform that we have not approved in advance.

You must adhere to all specifications and requirement regarding the advertising and marketing of your BIB Business. You must understand that your local marketing efforts, primarily through social media platforms such as Instagram and Facebook, will be extremely important to establishing and growing your BIB Business. Without our prior written approval in advance, your social media accounts may not link to any website or social media page other than the official BIB website or other official BIB link.

Marketing Funds

Currently, you must contribute up to 2% of your Gross Sales (“Marketing Fund Fee”) to our Babes in Business BIB Brand Marketing Fund (“BIB Brand Marketing Fund”) on a monthly basis. (Franchise Agreement Section 4.5) The BIB Brand Marketing Fund is the only marketing fund established as of the issuance date of this Disclosure Document; however, we reserve the right in the future to create other advertising or marketing funds and to direct a portion of your Marketing Fund Fee towards those new funds (collectively with the BIB Brand Marketing Fund, the “Funds”). We may change, dissolve or merge the Funds at any time, in our sole discretion.

You must pay the Marketing Fund Fee to us on a monthly basis in the manner designated by us. Payments shall be made to us via ACH, electronic funds transfer, or, if we designate, by separate checks made payable to us or the Fund. As of the issuance date of this Disclosure Document, we have not collected Marketing Fund Fees for the 2024 calendar year or for any prior years.

All franchisees are required to contribute to the Funds at an equal rate. All BIB Businesses owned by us or our affiliates may, but are not required to, make similar contributions to the Funds as required of franchisees.

We may administer the Funds ourselves, or designate or license a third party to do so. We have sole discretion over the creative concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional, and local advertising or marketing paid out of the Funds and we will determine the placement and allocation of any and all marketing, advertisements or promotions. We may use print, television, radio, Internet or other media for advertisements and promotions.

The Funds are intended to maximize general public recognition and acceptance of the Babes in Business® brand and the Marks for the benefit of the System, and neither we, nor the Funds, are obligated to make expenditures for you that are equivalent or proportionate to your contributions nor are we, or the Funds, obligated to make any marketing or advertising expenditures in your Approved Territory at all. We are not required to ensure that you benefit directly or pro-rata from the placement of advertising. The Funds are not currently used (although they could be in the future in our discretion) to directly market any particular franchisee's business on a local level. Local marketing is your responsibility and obligation.

We currently utilize a combination of in-house and third parties to develop and place all marketing and advertising, but we reserve the right to make changes to our marketing sources (including the use of national and regional advertising agencies) at any time in the future. The Funds will be maintained and administered by us, or our designee, as set forth herein and we reserve broad discretion in how the Funds will be spent. Among other things, and without limiting our ability to direct the Funds otherwise, we may use your contributions to pay for or reimburse us for any cost of creating, producing, procuring, maintaining, hosting, administering, directing and circulating any advertising, marketing, sponsorships, public relations and/or promotional campaigns, programs and/or materials in any and all types of media (including any television, radio, newspaper, magazine, direct mail, social media, mobile application, Internet (e.g. search engines, banner ads, web pages or e-commerce sites)); employing advertising, marketing, brand and/or public relations agencies or consultants; purchasing and providing promotional brochures, items or materials; conducting market research; providing marketing materials to franchisees; and administering visual merchandising, promotions and merchandising programs. Marketing Fund Fees may, in our sole discretion, also be used to provide rebates or reimbursements to you for local expenditures on products, services or improvements, approved in advance by us, which we believe will promote general public awareness and favorable support for the System. Activities engaged in by the Marketing Funds may be local, regional or national.

We may use the Marketing Fund Fee to pay: the salaries and benefits of personnel who manage, administer and/or work for the Funds and its activities; administrative costs, travel expenses, meeting costs, overhead costs and expenses; a management fee payable to us, an affiliate and/or our designee; taxes on Marketing Fund Fees and contributions; market research; public relations; and the creation, preparation and production of advertising, promotions and marketing materials.

We do not expect to use Marketing Fund Fees specifically to develop materials and programs that will be used principally to solicit franchisees; however, we reserve the right to do so in the future. Media, materials and programs, including our website and social media pages (which may be prepared using Marketing Fund Fees) may describe our franchise program, reference availability of franchises and related information, and process franchise leads.

We have no obligation to segregate Marketing Fund Fee payments or maintain accounts separate from our other funds. Marketing Fund Fees may be commingled with funds in our general accounts. We expect to use an amount equal to all contributions made in any fiscal year, but any monies remaining in the Funds at the end of any year will carry over to the next year. We expect to use any interest or other earnings of the Funds before using current contributions, but are not required to do so.

We are not required to prepare or provide you with any statements relating to the contributions to or expenditures of the Funds, although we may do so at our option. The Funds will not be audited, unless we decide, in our sole discretion, to require an audit. If we choose to require an audit, all expenses for the audit will be paid out of the Funds. Any findings from such an audit may only be disclosed to you if we, in our sole and absolute discretion, permit such a disclosure. We may, but are not required to, create internally prepared, periodic statements of operations for the Funds. These statements, if created, may be made available to you, upon your reasonable prior written request.

We have the right to terminate the Funds at any time. If one or more Fund is terminated, we are not required to return any Marketing Fund Fees contributed to any such terminated fund by you and will expend any retained contributions for the terminated fund for System advertising purposes. None of the Marketing Fund Fees paid to us are refundable at any time, including upon termination or expiration of the Franchise Agreement.

The Funds are not a trust. We have no fiduciary obligation to you for administering the Funds or for any other reason.

We may structure the Funds organization and administration in any way that we determine. We may organize or reorganize the Funds into a separate entity or create new entities as we deem appropriate and we may transfer all Marketing Fund Fees and assets to the entity. We may require you to pay the Marketing Fund Fees directly to the entity.

We currently do not have a franchise owner advisory council that advises us on advertising policies but we reserve the right in our sole discretion to establish one and require your participation.

Cooperative Advertising

We encourage the formation and operation of franchisee cooperative advertising associations (each a “Co-op”). If formed, each Co-op will coordinate advertising, marketing efforts and programs, and attempt to maximize the efficient use of local advertising media. If a Co-op is formed for your region, you must participate in the Co-op or lose your right to vote as to decisions regarding advertising and marketing efforts and programs. In no event will you be required to be a member of more than one Co-op. We have the right to require any Co-op to be organized and governed (a) in a form and manner approved in advance by us in writing, and (b) for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized promotional materials for use by the members in local advertising.

No advertising or promotional plans or materials may be used by any Co-op, or furnished to its members, without our prior approval. We, in our sole discretion, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Co-op, and/or from the obligation to contribute to the Co-op (including a reduction, deferral or waiver of such contribution), on written request of the franchisee stating reasons supporting the exemption. Our decision concerning such request for exemption shall be final. As of the issuance date of this Disclosure Document, you are not required to participate in any local or regional advertising cooperatives; however, we reserve the right to require your participation in the future.

Training

Before your Franchised Business opens, you or your Designated Principal (not to exceed a total of 2 persons) must complete to our satisfaction all of our initial training requirements. We will bear the cost of all training instruction and required materials for the initial training program for up to two total attendees, except as described below regarding additional training and assistance that we provide at your Franchised Business. You will bear all other expenses incurred by you and your attendees in attending training, including, if applicable, as the costs of transportation, lodging and meals (see Items 6 and 7 of this Disclosure Document).

If you (or the Designated Principal) cease active employment in the Franchised Business, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program promptly following cessation of employment of said individual. The replacement Designated Principal shall complete the initial training program as soon as is practicable, but in no event later than any time periods we specify from time to time in the Manuals and otherwise in writing.

The subjects covered in the initial training program are described below. Initial training programs are scheduled throughout the year on an as-needed basis as new franchisees join the system.

We have the right to change the duration and content of our initial training program. The initial training, as described above, is currently conducted virtually using various platforms including zoom, live and pre-recorded webinars, and/or other such technological platforms or methods as we may designate in our sole discretion. You must complete the initial training program at least one day prior to starting operations of the Franchised Business.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Attend BIB MeetUp in-person	0	5	A Corporate or Franchised BIB MeetUp event of our choosing.
Selling vendor table.	1		Virtually.
Planning your event.	1		Virtually.
Designing the space.	1		Virtually.

Social Media Strategy and Growth	1		Virtually.
Branding	1		Virtually.
Added Events	1		Virtually.
Merchandise	1		Virtually.
Total	7	5	

Currently, Jennifer Chavez, whose biographical information is contained in Item 2 of this Disclosure Document, handles all training. We may add additional instructors to our training team at any time in our sole discretion. Any additional instructors we add will have a minimum of 1 year of experience with strong abilities in training and development.

If you request additional supervision or supplemental training at a later time, we may charge you our then-current per diem training fee, which is currently \$75/hour, for the additional training provided; and you will also have to reimburse us for all of our costs and expenses associated with the additional training, including lodging, food and travel expenses for each trainer. Additionally, if we determine, in our sole discretion, that you are in need of additional supervision or supplemental training, we may require that you receive such training from us at your Franchised Business, in which case you agree to also pay our then-current per diem training fee for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel expenses for each trainer. We may require that you complete refresher and additional training programs, and we may offer the programs on a voluntary basis. If you request that we conduct any additional training sessions (required or voluntary) at your Franchised Business rather than at our Babes in Business location(s), and we do so, then we may charge you our then-current per diem training fee for that training we provide, and you will also have to reimburse us for all of our costs and expenses described above. (See Item 6 regarding the costs.)

We may, in our sole discretion, host quarterly virtual training meetings to review topics related to your Franchised Business, which we will determine in our sole discretion. If we host a quarterly training call, your participation is mandatory. The training shall be provided using any format we determine in our sole discretion including telephone, zoom, or otherwise. Your participation in these quarterly training meetings is mandatory. Each of these quarterly training meetings will last no more than three hours. You must pay us \$150 per hour and reimburse us for any actual costs we incur in hosting the training meeting.

We may hold mandatory annual conventions, at which we may provide refresher training. You must attend these conventions. You will be responsible for the costs of transportation, lodging and meals

when attending these conventions. You will also be responsible to reimburse us for our actual cost in hosting such an annual meeting plus a ten percent (10%) administrative charge. If you fail to attend a mandatory annual convention, as determined by us, you must pay a fine of \$1,000 for each such absence, as included in Item 6 of this Disclosure Document.

Manuals

You will be required to comply with all of the specifications, procedures, and standards set out in our Manuals, which Manuals are subject to change in our discretion. The table of contents of our Manual is provided in Exhibit H. Our Operations Manuals contain a total of 58 pages.

ITEM 12 **TERRITORY**

The following describes how Territories are determined, and the rights that you and we have under the Franchise Agreement.

Provided that you are in full compliance with the Franchise Agreement, we will not establish or license another to establish a BIB Business within the Territory during the term of your Franchise Agreement, with the exception of BIB Businesses located in Special Venues (as defined below). We have the unlimited right to establish BIB Businesses anywhere outside of your Territory, regardless of proximity. We will describe your Territory in your Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

Your Franchise Agreement will specify a protected Territory with specific geographic boundaries (we will not specify a specific location or address in connection with your BIB Business). We will determine the size and boundaries of your Approved Territory, within our discretion, based upon factors including geographic area, population density, character of neighborhood, location and number of businesses in the surrounding area, and other factors. Your protected territory will be defined using by zip codes or by using a map using natural and man-made boundaries (e.g., rivers and highways). Before you sign the Franchise Agreement, the territory will be defined to you and will be attached to the Franchise Agreement as part of Schedule "A" (the "Territory").

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a BIB Franchise in your Territory, except as may be permitted under the Franchise Agreement and those exceptions as described below. Your territorial protection is not dependent upon achievement of a certain sales volume, market penetration, or other factors, other than compliance with the Franchise Agreement.

You will be limited to establishing and operating your BIB Business within the Territory, however, you (i) will be permitted to recruit BIB MeetUp or Event attendees that reside, work or are located within or outside your Territory (and perhaps in the territory of another BIB Franchise) and (ii) may engage in approved marketing and advertising efforts, such as Internet, social media or other mass media marketing efforts, outside of the Territory so long as such activities are designed to increase attendance at your BIB MeetUps or Events in the Territory. You must obtain our written approval prior to naming your BIB Business on any social media platform; we reserve the right to approve or deny, in our sole discretion, any proposed name, tagline, abbreviation, hashtag, or any other business identifiers. Your business entity must not contain any, or a combination, of the following words in it: Babes in Business, BIB, or Babes.

You may not relocate your BIB Business without our prior written approval. We may approve the relocation of your BIB Business in our sole discretion. Factors we may consider when evaluating a

relocation may include, without limitation, proximity to other BIB Businesses or demographics of the proposed locations, ability of the proposed territory to support a BIB Franchise, among other things. In addition to obtaining our consent and paying us a Relocation Fee of \$2500 you must also meet certain conditions in order to relocate your BIB Business. Those conditions include the following: (a) you must be in good standing under the Franchise Agreement and any other agreement between us (or our affiliate) and you (or your affiliate); (b) you are in compliance with all provisions of the Manual; (c) you must sign an agreement terminating your existing Franchise Agreement and you must sign our then-current franchise agreement (with a term equal to the then-remaining term of the franchise agreement); (d) you must sign a general release; (e) that you live and work within a reasonable distance of the proposed new territory; and (f) you must still be able to host the minimum number of required BIB Events notwithstanding your relocation..

You are not granted an option or right of first refusal related to the sale of other franchises in proximity to your Territory or the right to acquire additional franchises under the Franchise Agreement.

We are not required to pay you any compensation for soliciting or accepting orders from inside your Territory.

Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or provides similar goods or services to those that you will offer; however, neither we nor our affiliates are restricted from establishing other franchises or company-owned BIB Businesses, or other channels of distribution, selling or providing similar products or services under a different trademark.

Special Venues

We reserve the right to establish and operate, or license others to establish and operate, BIB Businesses in “Special Venues”, including Special Venues located in your Territory. The term “Special Venues” shall mean non-traditional venues, including, without limitation, professional conventions or conference centers, colleges, universities and other schools, corporate offices, government institutions and facilities, and military installations.

We may also operate a temporary location, trade show booth or similar type location for a limited period of time (not to exceed 15 consecutive days without your written consent) within your Territory. There are no restrictions on our soliciting or accepting members or attendees from consumers inside your Territory.

Our Reserved Rights under the Franchise Agreement

Under the Franchise Agreement, we and our affiliates retain all the rights that we do not specifically grant to you. Among the rights that we retain are the following (the following list is only for purposes of illustration and is not meant to limit our rights):

(1) We retain all rights to own, operate, acquire and establish one or more “Babes School” or other similar educational, developmental or training career-oriented program for less experienced females. You understand and agree that you may, in our sole discretion, be required to advertise, market and/or promote current or future Babes Schools at your BIB MeetUps or Events and/or on your website and social media accounts despite all such revenue involved with such Babes Schools being for the benefit of us or our affiliates.

(2) We retain all rights to administer the BIB membership program or any similar business

membership or directory program in our sole discretion; You are expressly prohibited from creating, administering or promoting any similar membership or directory. Administration includes, but is not limited to, establishing membership criteria and enrollment periods, reviewing prospective membership applications, accepting or denying members, establishing membership pricing, designating marketing requirements, including how and where you must advertise for the program)). You understand and agree that you may, in our sole discretion, be required to advertise, market, promote and/or sell BIB Memberships at your BIB MeetUps or Events and/or on your website and social media accounts in accordance with all specifications we require. You further understand and agree that any revenue you earn in connection with BIB Memberships shall only be in connection with membership sales made at your BIB Meet Ups or Events or through your social media accounts; this revenue shall be earned regardless of the fact that the member may not reside within your territory and may reside within or closer to the territory of another BIB Franchise.

(3) We may own, acquire, establish, and/or operate and license others to establish and operate businesses, including BIB Franchises operating under the Proprietary Marks and the Babes in Business System at any location outside your Territory regardless of their proximity to, or potential impact on, your Territory or the Franchised Business.

(4) We may own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from the Franchised Business, at any location within or outside the Territory, notwithstanding their proximity to the Territory or their actual or threatened impact on the Franchised Business.

(5) We may sell and distribute, or authorize others to sell and distribute, any products or services, under the Proprietary Marks or other marks, through alternate channels of distribution, including but not limited to the internet and retail outlets, both within and outside your Territory. Such products or services may be similar or identical to those offered by the Franchised Business. We are not obligated to compensate you for our solicitation, selling or distribution of such products or services within your Territory.

Additionally, during the term of your Franchise Agreement, we may acquire one or more businesses that are the same as, or similar to, BIB Franchises then operating under the Babes in Business System (each an “**Acquired Business**”), which may be at any location within or outside the Territory, notwithstanding their proximity to the Territory or their actual or threatened impact on Franchised Business, and we may operate and/or license others to operate any Acquired Business under its existing name or as a BIB Franchise under the Babes in Business System at any location.

ITEM 13 **TRADEMARKS**

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the “**Marks**”) as are designated by us in writing for use in connection with the System. Our right to use and license others to use the Marks is exercised pursuant to a perpetual intellectual property license agreement with our affiliate, Babes IP, LLC (the “**IP Agreement**”) which can be terminated upon thirty days’ notice for a material breach or mutual agreement. Under the IP Agreement, we are granted the right to use and to permit others to use the Marks. We have the right to license the use of the registered trademark BABES IN BUSINESS® to you for the term of the Franchise Agreement, including any extensions or renewals.

The following trade names, trademarks, service marks, logotypes and other commercial symbols are registered with the United States Patent and Trademark Office principal register:

Proprietary Mark	Registration Number	Registration Date
BABES IN BUSINESS (Standard Character Mark)	5971437	January 28, 2020

All required renewals and affidavits for the registered Marks have been filed. There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark Administrator of this state or any court. There is no pending infringement, opposition or cancellation proceeding. There is no pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state.

We do not know of any infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the 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 will defend you against any third-party claim, suit or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement. If there is any litigation due to your use of the Proprietary Marks, you must execute all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action. Unless litigation results from 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, except that you will bear the salary costs of your employees.

There are no agreements currently in effect which limit our rights to use or license the use of any Proprietary Mark. We reserve the right to substitute different proprietary marks for use in identifying the Babes in Business System and businesses operating under it if we, in our sole discretion, determine that substitution of different marks as Proprietary Marks will be beneficial to the Babes in Business System. You must promptly implement any substitution of new Proprietary Marks.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Proprietary Marks and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable period of time after receiving notice. We will not be obligated to reimburse you for any cost attributable to or associated with any modified or discontinued Proprietary Marks or for any expenditures you make to promote a modified or substitute trademark or service mark.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Patents

No patents are material to the operation of your Franchised Business.

Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of BIB Franchises, including the Manuals, advertising and promotional materials, Website, Intranet, web-based applications for the management of your Franchised Business and all other systems, binders, videotapes, software, and printed materials which from time-to-time form part of the Babes in Business System (as well as all revisions and additions of or to any of the foregoing). We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

All rights, title, and interest in advertising and promotional materials that you develop or prepare (or that are prepared by someone on your behalf) or that bear any Proprietary Marks will belong to us. You must sign any documents we reasonably deem necessary to evidence our right, title, and interest in and to any advertising and promotional materials. We will have the right to use these materials and to provide them to other franchisees of the Babes in Business System, without compensation to you, regardless of how the materials were developed. Additionally, we may from time to time require that you sign a license agreement for the use of proprietary materials that we provide to you in an electronic format.

Confidential Information

Except for the purpose of operating the Franchised Business under a Franchise Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the development and operation of the Franchised Business that may be communicated to you or that you may learn by virtue of your operation of a BIB Franchise. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Franchised Business. Any information, knowledge, know-how, and techniques utilized in the Franchised Business will be deemed "confidential" for purposes of the Franchise Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may require you, your Designated Principal, other owners, and your employees with access to confidential information to sign confidentiality and non-competition agreements or obligate themselves to such covenants. Each of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their affiliation with you or the Franchised Business. These agreements must be in a form that we find satisfactory, and in some cases include, among other things, specific identification of our company as a third-party beneficiary with the independent right to enforce the covenants. Our current form of this agreement is included as Exhibit C to the Franchise Agreement (which is included in this Disclosure Document, see Item 22).

Confidential Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Manuals. We will lend you one set of our Manuals for the term of the Franchise Agreement, which you must return to us at the expiration or termination of the Franchise Agreement. The Manuals may consist of multiple volumes of printed text, computer disks, other electronic stored data, videotapes, and periodic updates or bulletins that we issue to franchisees and others operating under the Babes in Business System. You must treat the Manuals, all supplements and revisions to the Manuals, including bulletins and the information contained in them, as confidential, and must use best efforts to maintain this information (whether in written or electronic format) as secret and confidential. You must not reproduce these materials (except for the parts of the Manuals that are meant for you to copy, which we will clearly mark as such) or otherwise make them available to any unauthorized person. The Manuals will remain our sole property. You must keep them in a secure place.

We may revise the contents of the Manuals, and you must comply with each new or changed standard. We will notify you in writing of revisions to the Manuals. You must ensure that the Manuals are kept current at all times. If there is a dispute as to the contents of the Manuals, the terms of the master copies that we maintain at our home office will control.

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

Before your Franchised Business opens, you or your Designated Principal, must attend and successfully complete, to our satisfaction, the initial training program we provide. You must satisfy all pre-opening training requirements prior to the opening of the Franchised Business and establishing your BIB Business.

You must operate the Franchised Business in strict conformity with the Franchise Agreement and such standards and specifications as we may from time to time prescribe in the Manuals or otherwise in writing, and shall refrain from deviating from such standards, specifications, and procedures without our prior written consent.

You shall be responsible for the full-time daily supervision, general oversight and management of the operations of the Franchised Business. If you are not an individual, then your Designated Principal, who must be an equity owner and must be approved by us in advance, must assume this responsibility. In the event your Designated Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, you must promptly designate a new Designated Principal, subject to our reasonable approval.

If You are an entity (not an individual) with multiple owners, You must designate a Designated Principal to assume responsibility for the supervision of your BIB Business. You must agree that we have the right to rely upon the Designated Principal as having responsibility and decision-making authority regarding all BIB Business matters. The Designated Principal must personally attend every BIB MeetUp that you host (unless we expressly approve otherwise in writing).

Under the Franchise Agreement, if you are other than an individual, we may require that your owners personally sign a guaranty, indemnification and acknowledgement (in the forms included as Exhibit C to the Franchise Agreement), guarantying and acknowledging the legal entity's covenants and obligations under that agreement. See Items 14 and 17 for a further description of these obligations.

Each of the principals of your entity must sign the Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement and must sign a written agreement to maintain confidentiality of the trade secrets described in **Item 14** and to comply with the covenants not to compete described in **Item 17**. If you hire additional employees, you shall require them to sign a written confidentiality agreement as well.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved (see **Item 8**). You must offer all goods and services that we designate and may not offer any non-approved good or service. You are not currently granted any rights to operate a Babes School or any other similar female educational, training or development program, as those rights are expressly reserved to us and our affiliates. You are also expressly prohibited from creating, administering or promoting any membership or directory program other than BIB Memberships or other such similar program that we may designate from time to time. We reserve the right, in our sole discretion, to change the types of authorized goods and services. There are no contractual limits on our right to make changes. We may act as sole supplier of goods and services to you. We may profit on the sale of goods and services to you. Currently, you are obligated to offer the Babes in Business program in accordance with our System standards and specifications, including the Manual. It is your responsibility to ensure that you operate your BIB Business in accordance with all

applicable laws, rules and regulations, including those pertaining to any and all products, services, promotions, awards, prizes offered, promoted or provided to our BIB Business’s members or your BIB MeetUp or Event attendees.

You will be responsible for securing third party vendors who will host tables at each of your BIB MeetUp events; You must confirm to all of our specifications regarding the selection of appropriate vendors for your BIB MeetUps to ensure a creative curated event that is consistent with BIB’s brand, mission, and core values. We reserve the right, in our sole discretion, to require you to submit all vendors for your BIB MeetUp events to us in advance for approval. We reserve the right to approve or deny any proposed vendor in our sole discretion.

You will be limited to establishing and operating your BIB Business within the Territory, however, you (i) will be permitted to recruit MeetUp attendees that reside, work or are located within or outside your Territory (and perhaps in the territory of another BIB Franchise) and (ii) may engage in approved marketing and advertising efforts, such as Internet, social media or other mass media marketing efforts, outside of the Territory so long as such activities are designed to increase attendance at your BIB MeetUps within the Territory. You will not be permitted to link to any third party using social media, unless you have received our written approval in advance.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section(s) in Franchise Agreement	Summary
(a) Length of the franchise term	Section 2.1	Ten (10) years.
(b) Renewal or extension of the term	Section 2.2	Two (2) renewal terms of 5 years each.

Provision	Section(s) in Franchise Agreement	Summary
(c) Requirements for franchisee to renew or extend	Section 2.2	<p>Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, mutual release, sign new Franchise Agreement, pay renewal fee, and others; see Sections 2.2.1 - 2.2.9 in Franchise Agreement.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you will be asked to sign a new Franchise Agreement that contains terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements and different territorial rights.</p>
(d) Termination by franchisee	Not Applicable	
(e) Termination by franchisor without cause	Not Applicable	
(f) Termination by franchisor with cause	Section 17	<p>Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; see Section 17 of the Franchise Agreement. Under the U.S. Bankruptcy Code, we may not be able to terminate the agreement merely because of a bankruptcy filing.</p>
(g) "Cause" defined – defaults which can be cured	Sections 17.3 and 17.4	<p>All other defaults not specified in Sections 17.1 and 17.2 of the Franchise Agreement</p>
(h) "Cause" defined – non-curable defaults	Sections 17.1 and 17.2	<p>Bankruptcy, abandonment, conviction of felony, and others; see Section 16.2 of the Franchise Agreement. (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.)</p>
(i) Franchisee's obligations on termination/non-renewal	Section 18	<p>Cease operating the Franchised Business, payment of amounts due, and others; see Section 18.1 – 18.11 of the Franchise Agreement.</p>
(j) Assignment of contract by franchisor	Section 16.1	<p>There are no limits on our right to assign the Franchise Agreement.</p>
(k) "Transfer" by franchisee - defined	Section 16.2	<p>Includes transfer of any interest.</p>

Provision	Section(s) in Franchise Agreement	Summary
(l) Franchisor approval of transfer by franchisee	Section 16.2	We have the right to approve transfers and can apply standards to determine (for example) whether the proposed transferee meets our requirements for a new franchisee.
(m) Conditions for franchisor approval of transfer	Sections 16.3 and 16.4	Release, signature of new Franchise Agreement, payment of transfer fee, and others; see Sections 16.3.1 – 16.3.11 and 16.4 of the Franchise Agreement.
(n) Franchisor’s right of first refusal to acquire franchisee’s business	Section 16.5	We can match any offer.
(o) Franchisor’s option to purchase franchisee’s business	Not Applicable	
(p) Death or disability of franchisee	Sections 16.6 and 16.7	Your estate must transfer your interest in the Franchised Business to a third party we have approved, within a year after death or six months after the onset of disability.
(q) Non-competition covenants during the term of the franchise	Sections 18.2 and 18.5	Includes prohibition on engaging in any other business offering similar products (including Babes School), and soliciting or diverting customers to other businesses, and others; see Section 18.2 of the Franchise Agreement.
(r) Non-competition covenants after the franchise is terminated or expires	Sections 19.3 and 19.5	Includes a three-year prohibition similar to “q” (above), within the Territory, or within 50 miles of the Territory or any other BIB Business in operation on the effective date of termination or expiration located anywhere.
(s) Modification of the agreement	Section 25	Must be in writing signed by both parties.
(t) Integration/merger clause	Section 26	Only the final written terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

Provision	Section(s) in Franchise Agreement	Summary
(u) Dispute resolution by arbitration or mediation	Section 28.2 and 28.3	Except for certain claims, we and you must first mediate, and if unsuccessful arbitrate, all disputes at a location within 5 miles of our then-current principal place of business (currently in Neptune, New Jersey), subject to state law.
(v) Choice of forum	Section 28.2	All mediations, arbitrations, and litigation proceedings must be conducted in the city of our then-current principal place of business (currently in Neptune, New Jersey), subject to applicable state law.
(w) Choice of law	Section 28	New Jersey law applies (subject to applicable state law).

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

See Exhibit B, the State Specific Addendum, for special state disclosures.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jennifer Chavez, Babes Franchising LLC, 400 Hazel Street, Neptune, NJ 07753, 732-890-0977, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2022, 2023, and 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	1	1
	2023	1	3	+2
	2024	3	3	0
Company-Owned or Affiliate-Owned	2022	1	1	1
	2023	1	1	1
	2024	1	1	0
Total Outlets	2022	1	2	2
	2023	2	4	+2
	2024	4	4	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022, 2023, and 2024

State	Year	Number of Transfers
None	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For years 2022, 2023, and 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Massachusetts	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Missouri	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3

Table No. 4
Status of Company-Owned or Affiliate-Owned Outlets
For years 2022, 2023, and 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New Jersey	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned or Affiliate-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
New York	0	1	0
Total	0	2	0

Notes to Tables 1 - 5:

Note 1: All numbers are as of the fiscal year ending on December 31st for each year.

Note 2: The term “Outlet” for purposes of the above tables means a BIB Business.

Exhibit D lists the names of all current franchisees and the addresses and telephone numbers of their Businesses as of December 31, 2024.

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

During the last three years, no franchisees have signed provisions restricting their ability to speak openly about their experience with Babes Franchising LLC. **If you buy this franchise, your contact information may be disclosed to other buyers.**

We do not know of any trademark-specific franchisee organization associated with the franchise system being offered. Currently, there are no franchisee organizations we have created, sponsored or endorsed. However, we reserve the right to do so in the future.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit F is our audited financial statements dated as of December 31, 2024, December 31, 2023 and December 31, 2022.

Our fiscal year end is December 31.

ITEM 22 **CONTRACTS**

The following contracts are attached to this Disclosure Document:

Exhibit C – Franchise Agreement, including the following agreements:

- Nondisclosure and Non-competition Agreement (as Exhibit C)
- Guaranty, Indemnification and Acknowledgment (as Exhibit D)
- Authorization for Prearranged Payments (as Exhibit E)
- Franchisee Disclosure Acknowledgment Statement (as Exhibit F)

Exhibit H – General Release

Exhibit I – Pre-Closing Questionnaire *(not applicable in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin)*

ITEM 23 **RECEIPT**

Exhibit J of this Disclosure Document is a list of the State Effective Dates for each registration state. Attached as Exhibit K of this Disclosure Document are duplicate Receipts acknowledging receipt of this Disclosure Document to be signed by you. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to: Jennifer Chavez, Babes Franchising LLC, 400 Hazel Street, Neptune, NJ 07753.

EXHIBIT A
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

<p><u>CALIFORNIA</u></p> <p>Department of Business Oversight:</p> <p>320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677</p> <p>1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205</p> <p>1350 Front Street San Diego, CA 92101 (619) 525-4233</p> <p>One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559</p> <p>Agent: California Commissioner of Business Oversight</p>	<p><u>CONNECTICUT</u></p> <p>State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>Agent: Banking Commissioner</p>
<p><u>HAWAII</u></p> <p>Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2744</p> <p>Agent: Commissioner of Securities of the Department of Commerce and Consumer Affairs</p>	<p><u>ILLINOIS</u></p> <p>Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p> <p>Agent: Illinois Attorney General</p>
<p><u>INDIANA</u></p> <p>Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>Agent: Indiana Secretary of State</p>	<p><u>MARYLAND</u></p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p> <p>Agent: Maryland Securities Commissioner</p>

<p><u>MICHIGAN</u></p> <p>Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177</p> <p>Agent: Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909</p>	<p><u>MINNESOTA</u></p> <p>Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p> <p>Agent: Minnesota Commissioner of Commerce</p>
<p><u>NEBRASKA</u></p> <p>Nebraska Department of Banking and Finance P.O. Box 95006 Lincoln, Nebraska 68509-5006</p>	<p><u>NORTH CAROLINA</u></p> <p>Department of the Secretary of State PO Box 29622 Raleigh, NC 27626-0622</p>
<p><u>NEW YORK</u></p> <p>NYS Department of law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p> <p>Agent: Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492</p>	<p><u>NORTH DAKOTA</u></p> <p>North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712</p> <p>Agent: North Dakota Securities Commissioner</p>
<p><u>OREGON</u></p> <p>Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387</p> <p>Agent: Director of Oregon Department of Insurance and Finance</p>	<p><u>RHODE ISLAND</u></p> <p>Division of Securities Rhode Island Dept. of Business Regulation John O. Pastore Complex – Bldg. 69 1 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9500</p> <p>Agent: Director of Rhode Island Department of Business Regulation</p>

SOUTH DAKOTA

Division of Securities
Department of Labor & Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Agent:
Director of South Dakota Division Securities

TEXAS

Secretary of State
P.O. Box 12887
Austin, Texas 78711

<p><u>VIRGINIA</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p> <p>Agent: Clerk of the State Corporation Commission State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219</p>	<p><u>WASHINGTON</u></p> <p>Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760</p> <p>Agent: Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501</p>
<p><u>WISCONSIN</u></p> <p>Division of Securities Department of Financial Institutions 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703 (608) 266-1064</p> <p>Agent: Administrator, Division of Securities Department of Financial Institutions 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703</p>	

EXHIBIT B
STATE SPECIFIC ADDENDUM

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE
DOCUMENT OF BABES FRANCHISING
LLC**

The following are additional disclosures for the Franchise Disclosure Document of Babes Franchising LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

NASAA REQUIRED MODIFICATIONS TO ITEM 22 OF THE FDD –

IN ADDITION TO CERTAIN STATE SPECIFIC ADDENDA THAT FOLLOW, THE FOLLOWING LANGUAGE SHALL BE APPLICABLE IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

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

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

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

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

EXHIBIT C
FRANCHISE AGREEMENT

BABES FRANCHISING LLC
FRANCHISE AGREEMENT

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- EXHIBIT A – DATA SHEET
- EXHIBIT B – LIST OF FRANCHISEE’S PRINCIPALS AND DESIGNATED PRINCIPAL
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- EXHIBIT E – AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
- EXHIBIT F – STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into on this ____ day of _____, 20__ the “**Effective Date**”), by and between:

- ❖ Babes Franchising LLC, a New Jersey limited liability company, whose principal place of business is 400 Hazel Street, Neptune, NJ 07753 (“**Franchisor**”, “**we**”, “**us**”, “**our**”); and
- ❖ _____ a [resident of] [corporation organized in] [limited liability company organized in] [*select one*], having offices at

_____ (“**Franchisee**”, “**you**”, “**your**”).

BACKGROUND:

A. Franchisor licenses a format and system (the “**Babes in Business System**”) relating to the operation of businesses that feature and operate under the Proprietary Marks (as defined below) (each a “**BIB Franchise**”). BIB franchisees host and facilitate group meetups and networking events within their Approved Territory under the name “Babes in Business” (each a “**BIB Event**”).

B. The distinguishing characteristics of the Babes in Business System include (i) uniform procedures, standards and specifications; (ii) training and assistance; and (iii) marketing and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The Babes in Business System is identified by means of certain indicia of origin, emblems, trade names, service marks, logos, and trademarks, including applications and/or registrations therefor, as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the Babes in Business System including the mark “Babes in Business” and other related marks (the “**Proprietary Marks**”).

D. Franchisee desires to enter into the business of operating a BIB Franchise under the Babes in Business System and using the Proprietary Marks, and wishes to enter into this Agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith.

E. Franchisee acknowledges that it has read this Agreement and the Franchisor’s Franchise Disclosure Document and that it understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Franchisor’s high standards of quality and service and the uniformity of those standards at all BIB Franchises in order to protect and preserve the goodwill of the Proprietary Marks.

F. Franchisee has applied for a franchise to own and operate a BIB Franchise, and such application has been approved by the Franchisor in reliance upon all of the representations made herein.

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 Grant and Acceptance. Franchisor grants to Franchisee the right, and Franchisee hereby undertakes the obligation, upon the terms and conditions set forth in this Agreement to:

(a) establish and operate a BIB Franchise (the “**Franchised Business**”), (b) use, only in connection therewith, the Proprietary Marks and the Babes in Business System, as they may be changed, improved, or further developed from time to time by Franchisor; and (c) operate the Franchised Business only in the Territory (as defined in Section 1.3 below) in accordance with this Agreement.

1.2 Limit on Sales. Franchisee's rights hereunder shall be limited to offering products and providing services approved by Franchisor ("**Approved Products and Services**") within the Territory. Franchisee shall not, without the prior written approval of Franchisor, engage in any other type of sale of, or offer to sell, or distribution of products or services.

1.3 Franchised Business; Territory. The license granted by this Agreement gives Franchisee the right, and Franchisee hereby undertakes the obligation, to establish the Franchised Business in the geographical area specified in Exhibit A (the "**Territory**"), as determined by Franchisor, in its sole discretion. Provided that Franchisee is in full compliance with this Agreement, and except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor shall not establish or operate, nor license any other person to establish or operate, a BIB Franchise within the Territory. Franchisee shall not operate its Franchised Business from outside of the Territory unless Franchisor expressly grants approval for a relocation pursuant to Section 11.

1.4 Attendee and Follower Recruitment. It is understood that Franchisee shall be limited to operating its Franchised Business and hosting BIB Events within the Territory, provided, however, that Franchisee (i) shall be permitted to recruit BIB Event attendees, members and followers that reside, work or are located within or outside the Territory (and perhaps in the territory of an affiliate of Franchisor or another BIB franchisee) and (ii) may engage in Franchisor approved marketing and advertising efforts, such as Internet, Social Media or other mass media marketing efforts, outside of the Territory so long as such activities are designed to increase attendance at BIB Events hosted by Franchisee within the Territory. Franchisee acknowledges and agrees that Franchisor and its affiliates are not restricted from soliciting or accepting attendees, members or followers from within your Territory.

1.5 No Assurance, Representation, or Warranty. Franchisee hereby acknowledges and agrees that determination by Franchisor of the Territory does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the Territory for the Franchised Business or for any other purpose. Determination by Franchisor of the Territory indicates only that Franchisor believes the Territory complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Franchisor shall not be responsible for the failure of the Territory to meet Franchisee's expectations as to revenue or operational criteria.

1.6 Hosting First BIB Event. Franchisee shall host its first BIB Event in the Territory within ninety (90) days following the Effective Date. Time is of the essence.

1.7 Reserved Rights. Notwithstanding anything to the contrary in this Agreement, Franchisor retains the following rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.7.1 To own, acquire, establish, and/or operate and license others to establish and operate, BIB Franchises under the Babes in Business System at any location outside the Territory, notwithstanding their proximity to the Territory or any Host Venue (as defined in Section 5.3) or their actual or threatened impact on the Franchised Business;

1.7.2 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar to or different from the Franchised Business, at any location within or outside the Territory, notwithstanding their proximity to the Territory or any Host Venue or their actual or threatened impact on the Franchised Business;

1.7.3 To sell and distribute, or authorize others to sell and distribute, any products or services, under the Proprietary Marks or other marks, through alternate channels of distribution, including but not limited to the internet and retail outlets, both within and outside your Territory regardless of the fact that such products or services may be similar or identical to those offered by the Franchised Business;

1.7.4 To establish, operate or license others to establish and operate a BIB Franchise or BIB Business in special venues despite such special venues being located within your Territory; for purposes of this reservation, a

“special venue” shall mean any non-traditional venue including, but not limited to, professional conventions or conference centers, colleges, universities and other schools, corporate offices, government institutions or facilities, and military installations;

1.7.5 To establish, operate or license others to establish and operate a temporary BIB Franchise or BIB Business within your Territory at a trade show or similar venue provided that such temporary operation does not exceed fifteen (15) days unless Franchisee expressly grants approval for a longer temporary operation;

1.7.6 To own, operate, acquire and establish one or more “Babes School” or other similar educational, developmental or training career-oriented program for less experienced females regardless of the location of the same, including locations within your Territory;

1.7.7 To administer the BIB membership program or any similar business membership or directory program in our sole discretion; “administer” shall include, but not be limited to, establishing membership criteria and enrollment periods, reviewing prospective membership applications, accepting or denying members, establishing membership pricing, designating marketing requirements, including how and where you must advertise for the program;

1.7.8 To acquire one or more businesses that are the same as, or similar to, BIB Franchises then operating under the Babes in Business System (each an “**Acquired Business**”), which may be within or outside the Territory, notwithstanding their proximity to the Territory or their actual or threatened impact on the Franchised Business, and to operate and/or license others to operate any Acquired Business under its existing name or under the Babes in Business System; and

1.7.9 Upon the expiration or termination of this Agreement, Franchisor may, in its sole discretion, establish or operate, or license any other person or entity to establish or operate, a BIB Franchise or conduct any other activity within the Territory.

2. TERM AND RENEWAL

2.1 **Initial Term.** This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, this Agreement shall expire ten (10) years from the Effective Date.

2.2 **Renewal.** Franchisee may apply to operate the Franchised Business for two (2) additional successive terms of five (5) years each, if the following conditions are met prior to each renewal:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee’s election to renew at least six (6) months, but not more than twelve (12) months, prior to the end of the term of this Agreement;

2.2.2 Franchisee shall be in compliance with the opening timeline, as set forth in Section 1.5.

2.2.3 Franchisee shall not have any past due monetary obligations or other outstanding obligations to Franchisor and its affiliates, or approved suppliers of the Babes in Business System;

2.2.4 Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates, or the approved suppliers of the Babes in Business System; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.5 Franchisee and Franchisor shall execute a mutual general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees;

2.2.6 Franchisee shall execute the then-current form of franchise agreement offered by Franchisor, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, requirements to pay additional and/or higher fees such as royalties;

2.2.7 Franchisee shall comply with the then-current qualification and training requirements of Franchisor;

2.2.8 Franchisee, at the time of renewal, satisfies Franchisor's standards of financial responsibility and, if requested by Franchisor, Franchisee demonstrates to Franchisor that Franchisee has sufficient financial resources and means to continue to operate the Franchised Business during the renewal term; and

2.2.9 Franchisee shall remit to Franchisor a renewal fee equal to fifty percent (50%) of the then-current franchise fee.

3. DUTIES OF FRANCHISOR

3.1 **Training.** Franchisor shall provide its initial training ("**Initial Training**") for up to two total individuals including, at a minimum, Franchisee (or, if Franchisee is other than an individual, the Designated Principal (defined in Section 6.2 below). Franchisor may, in its sole discretion, also host quarterly training, annual meetings and/or provide such ongoing or additional training as it may, from time to time, deem appropriate as further set forth in Section 6. Franchisor shall not charge Franchisee for Initial Training; however, Franchisor reserves the right as set forth herein to assess certain charges and fees upon Franchisee for any quarterly training, annual meetings and/or additional training.

3.2 **Loan of Manuals.** Franchisor shall provide Franchisee, on loan, Franchisor's confidential operations manuals and other manuals, instructional materials, and written policies and correspondence (collectively, the "**Manuals**"), as more fully described in Section 10 hereof.

3.3 **Technology.** Franchisor may, in its sole discretion, establish and maintain a website and intranet in connection with the Babes in Business System (collectively, the "**Technology**"). Franchisor shall direct all aspects of the Babes in Business Technology as further set forth in Section 7, in its sole discretion. Franchisor may modify or discontinue the Babes in Business Technology at any time. In exchange for these services, Franchisee shall pay Franchisor a Technology Fee as set forth in Section 4.6.

3.4 **Advertising Programs and Materials/Third Party Advertising.** Franchisor shall review and shall have the right to approve or disapprove all advertising, marketing and promotional materials and efforts that Franchisee proposes to use, pursuant to Section 14 below. Franchisor shall also review and approve or disapprove all requests submitted by Franchisee to sell third-party advertising on Franchisee's Social Media accounts; Franchisor shall provide pricing packages for all third-party advertising it approves Franchisee to sell.

3.5 **System Marketing.** Franchisor shall administer the Marketing Fund as further set forth in Section 14 in its sole discretion.

3.6 **Guidance and Phone Consults.** Franchisor may provide periodic advice or offer guidance to Franchisee in the marketing, management, and operation of the Franchised Business as Franchisor determines at the time(s) and in the manner determined by Franchisor. Prior to each of Franchisee's first three BIB Events, Franchisor shall provide Franchisee with a telephone consultation call, each call not to exceed thirty (30) minutes in duration, to discuss details for each event including venue, vendor applications and selection, decorations, Social Media promotion, and any event related questions Franchisee may have.

3.7 **BIB Event Agendas and Content; Emails.** Franchisor, in its sole discretion, shall provide Franchisee with templates for Franchisee's BIB Events including sample meeting agendas, meeting content and questions to utilize in its BIB Events; Franchisee acknowledges and agrees that this assistance will be general in nature and not specific to Franchisee's Franchised Business or to their BIB Events. Franchisor shall, in its sole discretion, provide email content to Franchisee to use for communicating with attendees of Franchisee's BIB Events. Franchisee shall not deviate from the message content, timing or cadence designated by Franchisor.

3.8 **Start Up Package.** Franchisor shall provide Franchisee with certain pre-opening materials including an

initial inventory of branded merchandise, a branded neon sign, branded tablecloth, and branded stickers. Immediately upon the signing of this Agreement, and prior to Franchisor providing the Start Up Package to Franchisee, Franchisee shall pay Franchisor the Start Up Fee as further set forth in Section 4.2. Franchisee shall be responsible for replenishing branded merchandise throughout the term of this Agreement in order to maintain inventory levels in the amounts required by the Manual.

3.9 Inspections. Franchisor shall conduct, as it deems advisable, inspections of the operation of the Franchised Business by Franchisee.

3.10 List of Suppliers. Franchisor shall, in the Manuals (or otherwise in writing as determined by Franchisor), provide Franchisee with a list of suppliers designated and/or approved by Franchisor to supply products, marketing, equipment, signage, materials and services to franchisees in the Babes in Business System.

3.11 Delegation. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any distributor, designee, employee, or agent of Franchisor, as Franchisor may direct.

3.12 Fulfillment of Obligations. In fulfilling its obligations pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, Franchisor (and its affiliates) shall have the right: (i) to take into account, as it sees fit, the effect on, and the interests of, other Franchised Businesses and systems in which Franchisor (or its affiliates) has an interest and Franchisor's (and its affiliates' or parent's) own activities; (ii) to share market and product research, and other proprietary and non-proprietary business information, with other Franchised Businesses and systems in which Franchisor (or its affiliates) has an interest, or with Franchisor's affiliates; and/or (iii) to allocate resources and new developments between and among systems, and/or Franchisor's affiliates, as it sees fit. Franchisee understands and agrees that all of Franchisor's obligations under this Agreement are subject to this Section 3.12, and that nothing in this Section 3.12 shall in any way affect Franchisee's obligations under this Agreement.

4. FEES

4.1 Initial Franchise Fee. In consideration of the execution of this Agreement and Franchisor's granting to Franchisee the franchise covered hereby, Franchisee agrees to pay to Franchisor an initial franchise fee of Ten Thousand Dollars (\$10,000) for the right to establish the Franchised Business (the "**Franchise Fee**"), as reflected in Exhibit A.

Franchisor may, in its sole and absolute discretion, agree to accept payment of the Franchise Fee from You in installments instead of as a lump sum that is immediately payable to Franchisor upon signing of this Agreement. In the event that Franchisor authorizes you (by checking the box and initialing below) to make installment payments of the Franchise Fee, the following payment schedule shall apply: (a) immediately upon signing this Agreement, You shall pay Franchisor Five Thousand Dollars (\$5,000.00) ("First Installment Payment") and (b) on or before the 365th day following the Effective Date of this Agreement, You shall pay Franchisor an additional Five Thousand Dollars (\$5,000.00) ("Second Installment Payment"). Each installment payment shall be made to Franchisor in cash or another form of payment that will make the funds immediately accessible to Franchisor, such as cashier's check or wire transfer. For the avoidance of doubt, each installment payment shall be in addition to, not in lieu of, all royalty, technology, marketing and other continuing fees and payments you may owe to Franchisor pursuant to this Agreement. No part of the Franchise Fee, whether paid in lump sum or installments, shall be refundable.

FRANCHISOR **AUTHORIZES** FRANCHISEE TO PAY THE FRANCHISE FEE IN 2 EQUAL INSTALLMENTS AS SET FORTH ABOVE. (FRANCHISOR to initial here) _____

FRANCHISOR **DOES NOT AUTHORIZE** FRANCHISEE TO PAY THE FRANCHISE FEE IN INSTALLMENTS; FRANCHISEE SHALL PAY IN A LUMP SUM. ABOVE. (FRANCHISOR to initial here)

4.2 **Start Up Package and Subsequent Shipping Costs.** Upon execution of this Agreement, Franchisee shall pay Franchisor Eighteen Hundred Dollars (\$1800.00) (the “**Start Up Fee**”). Upon receipt of the Start Up Fee, Franchisor shall provide Franchisee with certain “Start Up” items which shall include an initial inventory of branded merchandise, a branded neon sign, branded tablecloth, and branded stickers; shipping charges for the Start Up items is included in the Start Up Fee.. The Start Up Fee is non-refundable. For all subsequent purchases of supplies or materials from us or our affiliate, or that we procure from a third party for you and ship to you, You shall be responsible to reimburse us for any actual shipping costs we incur for such shipments and your payment shall be due within thirty (30) days of the invoice date in the manner we designate.

4.3 **Royalty Fee.** In consideration of this franchise granted hereby, the services to be provided by Franchisor hereunder, the right to sell the Approved Products and Services to the general public, and for the use of the Babes in Business System and the Proprietary Marks during the term hereof, Franchisee shall pay to Franchisor, monthly (once a month), during the term of this Agreement, in addition to the Franchise Fee set forth herein, a royalty fee (“**Royalty Fee**”) in an amount equal to fifteen percent (15%) of the Gross Revenue generated by, from, or through the Franchised Business, and report to Franchisor, in the manner specified by Franchisor, its Gross Revenue (a “**Revenue Report**”). “**Gross Revenue**” shall mean all revenue generated in connection with the operation of the Franchised Business, including, but not limited to, all revenues received by Franchisee and Franchisee’s related parties for all services and sales, including but not limited to all registration fees, ticket sales, vendor application and selection fees, , online gift guides, pop up events, Babe Made events, BIB Events, BIB Membership fees, advertising revenue from Social Media or events, vendor table sponsorships, and any other goods or services sold during the course of operating the franchise or generated during any occasion where the Babes In Business® name or marks is utilized, including but not limited to cash, check, credit card, barter or trade, in whole or in part; provided, however, that “Gross Revenue” excludes any sales taxes, and/or other taxes collected by Franchisee and actually transmitted to the appropriate taxing authorities. Franchisee’s obligation to begin paying the monthly Royalty Fee shall commence on of the earlier of (a) the Start Date if one is specified in this Agreement or (b) the day your Franchised Business holds its first BIB Event, which shall be no later than three months after the Effective Date of this Agreement.

4.4 **Accepted Methods of Payment/Venmo Prohibited.** Franchisee shall use only the point-of-sale system or commercial billing service designated by Franchisor to accept payment for all products and services sold by the Franchised Business including, but not limited to, all registration fees, ticket sales, product sales, dues payments, advertising sponsorships, vendor fees and all other revenue generated by the Franchised Business. Franchisor reserves the right to modify the payment methodology and process from time to time in its sole discretion; upon notice from Franchisor of such modification, Franchisee shall immediately comply and adopt the new payment methodology or process. Franchisee hereby acknowledges and agrees that Franchisee is expressly prohibited from using technologies that have not been designated by the Franchisor as an accepted method of payment. Franchisee further acknowledges and agrees that Franchisor prohibits the use of Venmo and any similar service and Franchisee accordingly agrees not to utilize any such service to collect payment for its Franchised Business.

4.5 **Marketing Fund Fee.** During the Term, You shall pay to Franchisor or its designee a continuing marketing fee of up to two percent (2%) of Gross Revenue as designated by Franchisor, (the “**Marketing Fund Fee**”). The Marketing Fund Fee shall be due and payable in accordance with Section 4.9 below.

4.6 **Technology Fee.** During the Term, You shall pay to Franchisor or our designee, without offset, credit or deduction of any nature, a continuing monthly nonrefundable Technology Fee of up to eight hundred dollars (\$800) per month as designated by Franchisor (currently \$350/month). Franchisor reserves the right, in its sole discretion, to add, modify or eliminate certain technologies including any features or functionality of such technologies. The Technology Fee shall be due and payable in accordance with Section 4.9 below.

4.7 **Additional Training Fee.** If additional training is requested or becomes necessary in Franchisor’s sole discretion during the Term of this Agreement, as more further described in Section 6.5, You shall be required to pay Franchisor its then-current per diem training rates as set forth in the Manual and reimburse Franchisor and its agents for any out-of- pocket training or travel costs it incurs.

4.8 **Quarterly Meeting Fee.** During the Term, You may be required to participate in Quarterly Meetings

held by Franchisor in its sole discretion. If such a Quarterly Meeting is held, You shall be required to pay Franchisor a fee of One Hundred and Fifty Dollars per hour (\$150/hr) for a maximum of three hours. You shall also be required to reimburse Franchisor for your pro-rata share of Franchisor's actual costs it incurs in hosting the Quarterly Meeting.

4.9 Method of Payment and When Payments Due. All payments required by Sections 4.3 and 4.5 above based on the Gross Revenue for the preceding monthly period and the Revenue Report required by Section 4.3 for the Gross Revenue for the preceding monthly period shall be paid and submitted so as to be received by Franchisor no later the seventh (7th) day of each month during the term hereof. For the avoidance of doubt, Royalty Fee payments due on the seventh (7th) day of each month during the term hereof shall be based upon Gross Revenue for the prior monthly period beginning (for example, a payment due on March 7th, would be for the period of February 1st through February 28th). Franchisor reserves the right to modify the monthly payment periods or process at any time by providing written notice to Franchisee. Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the Manuals. Franchisee agrees to use any commercial billing service or computer software program that Franchisor may designate from time to time in its sole discretion to process all payments collected by Franchisee in connection with the Franchised Business. Franchisee agrees to instruct the commercial billing service to credit to a bank account of Franchisor the applicable royalty, marketing, technology and any other fees for such amounts Franchisee collect, in full and shall execute Franchisor's current form of "Authorization Agreement for Prearranged Payments," a copy of which is attached to this Agreement as Exhibit D. Further, Franchisee shall require the commercial billing service and computer program suppliers to allow Franchisor to access and review all records relating to the Franchised Business, including all revenue, receivables, and information in your database. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of the Royalty Fee (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation and receipt of Gross Revenue. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor or others. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee, including, without limitation, Royalty Fees, nor withhold or delay submission of any reports due hereunder including, but not limited, to Revenue Reports.

4.10 Additional Payments. Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor, which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

4.11 Overdue Payments and Reports. Any payment, contribution, statement, or report not actually received by Franchisor on or before such due date shall be overdue. If any contribution or payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount: (i) a late payment fee in an amount equal to five percent (5%) of the overdue amount, and (ii) interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

4.12 No Waiver. Acceptance by Franchisor of any payments provided for in this Agreement, shall not be conclusive or binding on Franchisor with respect to the accuracy of such payment until two (2) years after the effective date of termination or non-renewal of this Agreement; provided, however, that there shall be no waiver where Franchisor has provided written to notice to Franchisee prior to that two (2) year period that it did not consider such payment to be accurate or sufficient. Acceptance of any payment on account of any fee or any and all other payments provided for in this Agreement does not constitute any waiver of Franchisor's rights hereunder.

4.13 No Subordination. Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the royalties and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

5. MANAGEMENT AND OPENING OF FRANCHISED BUSINESS

5.1 Management of Business & Designated Principal. If Franchisee is other than an individual, prior to beginning training, Franchisee shall comply with the following:

5.1.1 Franchisee shall designate, subject to Franchisor's reasonable approval, one "**Principal**" who is both an individual person and an equity owner in Franchisee, and who shall be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee (the "**Designated Principal**"). In the event the person designated as the Designated Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee shall promptly designate a new Designated Principal, subject to Franchisor's reasonable approval.

5.1.2 If Franchisee is an entity with more than one owner, prior to executing this Agreement, Franchisee must advise Franchisor in writing of which owner it designates to be the Designated Principal, who shall be responsible for the direct supervision of the Franchised Business and shall personally attend each BIB Event. Franchisor reserves the right to approve or disapprove Franchisor's designation of the Designated Principal in its sole and absolute discretion.

5.1.3 Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Principal as having responsibility and decision-making authority regarding the Franchised Business under this Agreement.

5.2 Commencement Dates. Unless otherwise agreed by Franchisor in writing, Franchisee shall host its first BIB Event no later than ninety days after the execution of this Agreement. Franchisee shall comply with all of Franchisor's pre-commencement requirements, conditions and procedures (including, without limitation, those regarding Host Venue approval, training, communications and marketing) prior to hosting of the first BIB Event, as set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor. Time is of the essence.

5.3 Host Venue. Prior to commencing operations of the Franchised Business and the hosting of Franchisee's first BIB Event, Franchisee shall obtain use of a venue acceptable to Franchisor and suitable to host its BIB Events within the Territory (the "**Host Venue**"). Franchisee must submit to Franchisor any information requested about a proposed Host Venue in the form Franchisor specifies. If a site meets Franchisor's standards, Franchisor will not unreasonably withhold approval of a proposed Host Venue. Any venue not expressly approved in writing by Franchisor shall be deemed disapproved. In the event Franchisee desires to move its BIB Events to a new Host Venue, such new venue shall also be subject to Franchisor's prior written approval. Franchisor's approval of a Host Venue does not constitute an assurance or warranty of any kind, express or implied, as to the suitability of the site for Franchisee's BIB Events.

5.4 Vendor Selection. Franchisee shall be responsible for identifying and entering into agreements with appropriate female-owned or operated vendors to vend or host tables at each of Franchisee's BIB Events. Franchisee shall comply with all Franchisor specifications regarding Franchisee's relationship with each vendor, including utilizing any form of vendor agreement that Franchisor may require. Franchisee must strictly adhere to all guidelines and specifications regarding the selection, quantity, curation, and approval of vendors for BIB Events as set forth in the Manual. Franchisee shall ensure that all prospective vendors submit an application in accordance with the process required by Franchisor and pay the required vendor fee prior to allowing them to act as a vendor at any BIB Event hosted by Franchisee. Franchisor reserves the right, at any time and in its sole discretion, to modify or implement additional specifications, requirements or fees relating to vendors for BIB Events as well as to modify any form of vendor agreement that it requires Franchisee's to utilize. Franchisor may require, from time to time and in its sole discretion, that Franchisee submit any or all prospective vendors to Franchisor for approval before selecting them for a BIB Event. Franchisor reserves the right to disapprove vendors that it has previously approved in its sole discretion; Franchisee acknowledges and agrees that while some vendors may be approved by Franchisor to participate in repeat BIB Events, prior vendor approval does not guarantee approval for future BIB Events as it is important to ensure that BIB Events continue to evolve and provide fresh content.

6. TRAINING

6.1 Initial Training and Attendees. Before opening the Franchised Business, Franchisee shall have satisfied all Initial Training obligations required by Franchisor, which are as follows:

6.1.1 Franchisee (or, if Franchisee is other than an individual, the Designated Principal), and any additional person as Franchisor may require (not to exceed a total of two (2) persons), shall attend and successfully complete, to Franchisor's satisfaction, the Initial Training program offered by Franchisor which will be conducted virtually or at a location designated by Franchisor. As part of the Initial Training, at Franchisor's option, in addition to the classroom-type training provided by Franchisor, Franchisee may be required to attend an event hosted by another BIB franchisee. During the Initial Training, Franchisee and trainees shall receive instruction, training and education in the operation of the Franchised Business and indoctrination into the Babes in Business System. If Franchisee or its Designated Principal does not satisfactorily complete such training, Franchisor may terminate this Agreement, in which case Franchisee shall not receive a refund of the Franchise Fee.

6.1.2 Franchisee must satisfy all pre-opening training requirements under this Section 6.1 at least one day prior to the opening of the Franchised Business.

6.2 New or Replacement Designated Principal. In the event that Franchisee's Designated Principal ceases to be an equity owner in the Franchised Business or wishes to step down from active involvement in the Franchised Business, Franchisee shall identify another Designated Principal that meets the qualifications set forth in this Agreement and, subject to Franchisor's approval of such replacement Designated Principal, the replacement Designated Principal shall complete the Initial Training program as soon as is practicable and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisee shall be required to pay Franchisor for such replacement Designated Principal training in the amounts set forth in Section 6.3.

6.3 Training Costs. The cost of all training (instruction and required materials) shall be borne by Franchisor, except as provided in Sections 6.5, 6.6, and 6.7. Notwithstanding the foregoing, all other expenses incurred in connection with training, including, without limitation, the costs of transportation, lodging, meals, wages, and insurance, shall be borne by Franchisee.

6.4 Location of Training. All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided, in Franchisor's sole discretion, at Franchisor's headquarters, virtually online and/or at such other locations as Franchisor may designate.

6.5 Additional Training. If Franchisor determines, in its sole discretion, that Franchisee is in need of additional supervision or supplemental training, Franchisor may require that Franchisee receive such training from Franchisor virtually or at a location to be determined by Franchisor, in which case Franchisee agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses (including any travel costs incurred by Franchisor or Franchisee), which shall be as set forth in the Manuals or otherwise in writing. If Franchisee requests that Franchisor provide additional on-site supervision or supplemental training or that any training programs offered or required by Franchisor be conducted for Franchisee at the Franchised Business (or Host Venue), then Franchisee further agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses (including any travel costs incurred by Franchisor), set forth in the Manuals or otherwise in writing.

6.6 Quarterly Meetings. Franchisor may, in its sole discretion, require Franchisee to attend quarterly meetings regarding business or training topics that Franchisor may determine in its sole discretion. Franchisee shall participate in any quarterly meeting required by Franchisor. Quarterly meetings shall be conducted telephonically or using any virtual platform Franchisor may designate in its sole discretion and shall not last more than three (3) hours. Franchisee shall pay Franchisor One Hundred and Fifty Dollars per hour (\$150/hr) for each quarterly meeting and shall also be required to reimburse Franchisor for any actual costs it incurs in hosting the quarterly meeting.

6.7 Annual Conference, Convention or Retreat. Franchisor may hold a mandatory annual convention, conference or retreat (an "Annual Meeting"). If Franchisor holds an Annual Meeting, You shall attend it and shall be required to pay fee equal to Franchisor's actual cost in hosting such Annual Meeting plus a ten percent (10%) administrative charge. You shall also be responsible for the costs of transportation, lodging and meals when attending an Annual Meeting. If you fail to attend an Annual Meeting, You shall pay a fine of \$1,000 to Franchisor for each such absence.

7. TECHNOLOGY

7.1 **Computer Systems and Required Software.** Franchisee shall only use technology and computer systems, hardware and software that meet Franchisor's specifications. The following terms and conditions shall apply with respect to the Computer System and Required Software:

7.1.1 Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by, between, or among BIB franchisees, including without limitation: (a) tablet, lap top and/or desk top computer system, point of sale technology, and telephone system for use at your Franchised Business and/or your BIB Events; (b) printers and other peripheral devices; (c) cellular phone and service; (d) audio/video equipment; and (e) internet access mode and speed (collectively, the "**Computer System**").

7.1.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software applications/programs and accounting system software that Franchisee must use in connection with the Franchised Business ("**Required Software**"), which Franchisee shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which such Franchisee shall record data; and (d) the database file structure of Franchisee's Computer System.

7.1.3 Franchisee shall make, from time to time and at its sole cost and expense, such upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "**Computer Upgrades**"). As of the Effective Date hereof, Franchisor does not require Franchisee to purchase Computer System or Related Software support services from a designated supplier; however, Franchisor reserves the right to require Franchisee to do so in the future in its sole discretion.

7.1.4 Franchisor reserves the right to determine, in its sole discretion, what Computer Systems and Related Software Franchisee shall use in the operation of its Franchised Business. Franchisor shall communicate all required Computer Systems and Related Software in the Manual. Franchisee shall comply with all specifications issued by Franchisor with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor.

7.2 **Data.** Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing, the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Business, and all data created or collected by Franchisee in connection with the Babes in Business System, or in connection with Franchisee's operation of the business (including without limitation data and contact information pertaining to or otherwise concerning followers and members of the Franchised Business as well all data pertaining to vendors and attendees at BIB Events) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

7.3 **E-mail Address.** Franchisor shall provide an email address for Franchisee to use in connection with its Franchised Business. Franchisee shall utilize such email address in accordance with all policies and specifications as set forth by Franchisor in the Manuals or otherwise in writing. Franchisee shall not be required to pay to Franchisor any amount other than the Technology Fee in exchange for the provision of this email address.

7.4 **Point of Sale System.** Franchisee shall implement the point of sale system as designated by Franchisor (the "POS System"), which shall be used in the operation of the Franchised Business and for reporting purposes. Currently, the POS System required by the Franchisor is a web-based application; however, Franchisor reserves the right to modify the POS System technology and process at any time in its sole discretion (including requiring Franchisee to purchase and maintain new POS hardware or software or to obtain a separate web-based subscription). Franchisee shall

update and upgrade the POS System as designated by Franchisor. Franchisor may require you to enter into a separate maintenance and/or support agreement for your POS System at any time, at your sole cost and expense. Franchisee shall record all sales at or from the Franchised Business at the time of sale on the POS System, in accordance with Franchisor's procedures. Franchisee shall comply with such requirements determined by Franchisor from time to time regarding maintenance, training, storage and safeguarding of data, records, reports and other matters relative to the POS System. Franchisee acknowledges and agrees that Franchisor has the right to independently access any and all information on your POS System at any time without prior notice to you. Without limiting the generality of the foregoing, you shall, at your sole cost and expense, permit Franchisor immediate access to your POS System, electronically or otherwise, at all times. Franchisor shall have the right to use the information accessed on the POS System in any manner that Franchisor determines, including, without limitation, using any and all such information in Franchisor's Franchise Disclosure Document and/or sharing your financial statements, including profit and loss statements, with other System franchisees.

7.5 Intranet. Franchisor may establish a website providing private and secure communications between Franchisor, Franchisee, franchisees, licensees and other persons and entities as determined by Franchisor, in its sole discretion (an "**Intranet**"). Franchisor may utilize the Intranet to provide Franchisee with access to web-based applications, including point-o-sale technology. Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to connecting to the Intranet and utilizing the Intranet in connection with the operation of the Franchised Business. The Intranet may include, without limitation, the Manuals, training or other assistance materials, access to point-of-sale technology and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet. Franchisor is under no obligation to establish such Intranet system and reserves the right to add, eliminate or modify certain functionality of any Intranet it establishes, including the right to eliminate the Intranet entirely and require Franchisee to utilize different technologies. Any Intranet services provided to Franchisee shall be covered by the Technology Fee paid to Franchisor and Franchisor shall not assess any additional fee related to the Intranet upon Franchisee.

7.6 Websites. As used in this Agreement, the term "**Website**" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

7.6.1 Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, BIB Franchises, the franchising of BIB franchises, and/or the Babes in Business System. Franchisor shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor shall also have the right to discontinue operation of the website.

7.6.2 Franchisor shall create a separate Website for the Franchised Business that will be linked to Franchisor's main Babes In Business® website as well as other Babes In Business® locations. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web pages and Franchisor will retain all primary administrative and creative rights pertaining to such site. Franchisee acknowledges and agrees that Franchisor shall create Franchisee's initial website using existing images; however, Franchisor shall, in its sole discretion, consider Franchisee's subsequent requests to update Franchisee's website with images from Franchisee's BIB Events provided that such images comply with Franchisor's specifications for the same. Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page. This website provided to Franchisee shall be covered by the Technology Fee paid to Franchisor and Franchisor shall not assess any additional fee related to Franchisee's website.

7.6.3 Franchisee is expressly prohibited from creating, establishing or maintaining a separate Website related to its Franchised Business.

7.6.4 Franchisor shall have the right to modify the provisions of this Section 7 relating to Websites as Franchisor shall solely determine is necessary or appropriate.

7.7 Online Use of Marks. Franchisee shall not, without the prior written approval of Franchisor, use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the Babes in Business System as part of any e-mail address, domain name, and/or other identification of Franchisee in any form of electronic or social Media. Franchisee agrees not to transmit or cause any other party to transmit advertisements, solicitations, marketing information, promotional information or any other information whatsoever regarding the Franchised Business or the BIB System by e-mail or any other “**Social Media**” without Franchisor’s prior written consent and in accordance with such specific programs, policies, terms and conditions as Franchisor may from time to time establish. Social Media shall include, but not be limited to, all forms of electronic, online and computer based technologies that facilitate the sharing of ideas, thoughts, and information through virtual networks and communities such as blogs, microblogs, social networking sites (such as Facebook, Instagram, Snapchat, Twitter, LinkedIn and TikTok), video-sharing and photo-sharing sites (such as YouTube and Flickr), review sites (such as Yelp), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds.

7.8 No Outsourcing without Prior Written Approval. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee’s obligations without Franchisor’s prior written approval therefor. Franchisor’s consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with Franchisor and Franchisee in a form that is reasonably provided by Franchisor.

7.9 Changes to Technology. Franchisee and Franchisor acknowledge and agree that technology is dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor may, in its sole discretion, modify, discontinue, or introduce new technological platforms, websites, systems, standards, policies, and specifications (including the hardware and software specifications) for the Babes in Business System. Franchisee agrees to implement any required changes at its sole cost and expense promptly upon notice by the Franchisor. Franchisee acknowledges and agrees that there is no cap on the amounts that Franchisee might need to spend during the Term of this Agreement to implement any such technological changes that Franchisor may require.

7.10 Privacy. Franchisee is expressly prohibited from distributing attendee, follower, vendor or member contact information except to the extent that such attendee, follower, vendor or member has consented to the same (including consent to being included in the Babes Member Directory. Franchisee shall ensure that it advises attendees at all BIB Events that their name and likeness may be utilized by Franchisee for marketing or social media purposes and provides attendees with an option to “opt-out” in accordance with all applicable law. Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding its Franchised Business’s followers, members, BIB Event vendors and attendees or other individuals (“**Privacy**”), and shall comply with Franchisor’s standards and policies pertaining to Privacy. If there is a conflict between Franchisor’s standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor’s counsel as Franchisor may request to assist Franchisor in its determination regarding the most effective way, if any, to meet Franchisor’s standards and policies pertaining to Privacy within the bounds of applicable law.

8. OTHER DUTIES OF FRANCHISEE

8.1 Details of Operation/Compliance with the Agreement. Franchisee understands and acknowledges that every detail of the Babes in Business System and this Agreement is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating, quality and service standards, to increase the demand, to protect BIB Franchises operating under the Babes in Business System, and to protect the reputation and goodwill of Franchisor. Franchisee shall operate the Franchised Business in strict conformity with this Agreement and such standards and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing, and shall refrain from deviating from such standards, specifications, and procedures without the prior written consent of Franchisor.

8.2 Local Marketing. Franchisee shall be responsible for adequately advertising and marketing its Franchised Business as further set forth in Section 14.

8.3 Signage. Franchisee shall display, at its own expense, at all BIB Events it hosts all signs of any nature, form, color, number, and size, and containing any legends or Proprietary Marks that Franchisor has designated as required signage in the Manual or otherwise in writing.

8.4 Staffing. In order to protect and enhance the System and the goodwill associated with the Proprietary Marks, in the event Franchisee has the need of employees, Franchisee agrees to take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; comply with such uniforms and/or dress code as Franchisor may prescribe; and meet such minimum standards as Franchisor may establish from time to time in the Manuals. Franchisee shall be solely responsible for all employment decisions and functions of the Franchised Business, including those related to hiring, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees, in addition to compliance with all applicable federal, state, and local laws, rules and regulations.

8.5 Minimum Number of BIB Events. Unless directed otherwise by Franchisor, during the term of this Agreement, Franchisee shall plan, promote and host at least six BIB Events per year. Franchisees shall be responsible for planning all aspects of each BIB Event including, but not limited to, securing the venue, speakers, vendors and attendees. All BIB Events are to be conducted in strict accordance with Franchisor's standards, policies and procedures (including, but not limited to, guidelines regarding minimum vendor count, vendor selection and category mix) as set forth from time to time in the Manuals or otherwise in writing. In the event that Franchisee fails to host the minimum number of required BIB Events during any Contract Year, Franchisor may assess a fee for your failure to do so; this fee shall be Fifteen Hundred Dollars (\$1,500) for each missed event during a contract year. "Contract Year" for purposes of this Agreement shall refer to the 365 day period beginning on the Effective Date of this Agreement, and in subsequent calendar years, it shall mean the 365 day period beginning on the anniversary of the Effective Date.

8.6 Attendee, Follower and Member Messaging. Franchisee shall deliver email or text messages to its attendees, followers in accordance with the templates, timing and cadence required by Franchisor. Franchisee shall not deviate from the messaging requirements set forth by Franchisor in the Manual or other written communication to Franchisee. Franchisee shall promptly comply with any new or modified email or text policies or procedures that Franchisor may implement from time to time in its sole discretion. Failure to deliver such e-mail and/or text messages or deviation from the template message or cadence required by Franchisor shall constitute a breach of this Agreement. Franchisee shall communicate with each attendee and follower of its BIB Events and Franchised Business utilizing the Babes in Business System email and text message platform provided by or designated by Franchisor.

8.7 Event Times, Duration and Content. Each BIB Event hosted by Franchisee shall start on time and last for approximately three and a half hours (not including set up and break down time). Franchisee shall conduct each of its BIB Events utilizing the timeline, meeting agenda, content and sample questions provided by Franchisor. Deviation from such meeting duration, agenda and content provided by Franchisor shall constitute a breach of this Agreement.

8.8 Babes School and BIB Memberships. Franchisees are expressly prohibited from (a) operating a "Babes School" or any other similar educational, developmental or training career-oriented program for less experienced females and (b) creating, administering or promoting any membership or directory program other than the .BIB Membership program. Notwithstanding the foregoing, Franchisee agrees to actively sell and promote BIB Memberships in accordance with Franchisor's specifications as set forth in the Manual. Franchisee acknowledges and agrees that Franchisor shall have sole discretion to administer the BIB Membership program (or any similar membership or directory program) and to modify or terminate the BIB Membership program at any time. For purposes of this section, administer shall mean, but shall not be limited to, establishing membership criteria, defining membership program rules and enrollment periods, setting fees, determining appropriate marketing and advertising strategies, and making the final member approval or denial decisions. Franchisee expressly acknowledges and agrees that Franchisor may require, in its sole discretion, Franchisee to advertise, market or promote Babes School, BIB Memberships and/or any similar program established by Franchisor or our affiliates at Franchisee's BIB Events, on Franchisee's BIB website and on any other approved Social Media platforms. For the avoidance of doubt, Franchisor and its affiliates shall not be required to compensate Franchisee for any such advertising, marketing or promotion. Notwithstanding the foregoing, in the event Franchisor authorizes Franchisee to sell BIB Memberships at Franchisee's BIB MeetUps or Events and/or on

Franchisee's Social Media platforms, any membership fees collected shall be considered part of Franchisee's Gross Revenue or Sales. Franchisee shall be entitled to such membership fee revenue regardless of where the new member resides or whether there is a closer Franchised Business to the new member's residence. Franchisee further expressly acknowledges and agrees that Babes Franchising, LLC, Babes in Business LLC and their affiliated entities reserve all rights related to Babes School, BIB memberships and any similar programming other than the limited rights granted to Franchisees to sell BIB Memberships.

8.9 BIB Merchandise. Franchisee shall at its sole cost and expenses, upon depletion of the branded machine provided as part of the Start Up Package, replenish the same as necessary throughout the term of the Agreement in order to maintain inventory levels in the amounts set forth in the Manual. Notwithstanding the requirement to maintain sufficient inventory levels to operate your Franchised Business which may require Franchisee to purchase additional inventory prior to its second year of operations, for the second and each subsequent year of the term of this Agreement and any renewal term, Franchisee shall be required to purchase at least \$1,000 of Branded Merchandise from Franchisor or its designee every quarter.

8.10 Conformity to Standards. To ensure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Without limitation, Franchisee agrees as follows:

8.10.1 Franchisee shall conduct its BIB Events in strict conformity with the methods, standards, policies, procedures and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing, including but not limited to policies relating to the selection, quantity, curation and approval of vendors for each BIB Event.

8.10.2 Franchisee shall offer and sell only Approved Products and Services, unless otherwise approved in writing by Franchisor; and Franchisee shall offer and sell all Approved Products and Services as Franchisor may specify from time to time as required offerings at the Franchised Business. Franchisor reserves the right to add, delete or modify the Approved Products and Services list at any time in its sole discretion and Franchisee shall comply with such changes immediately upon notice. Franchisee is prohibited from offering or selling any products or services at or from the Franchised Business that have not previously been authorized by Franchisor, and shall discontinue selling and offering for sale any products or services which Franchisor shall have disapproved, in writing, at any time. If Franchisee wishes to offer or sell any products or services that have not previously been authorized by Franchisor, Franchisee must first make a written request to Franchisor for approval. Franchisor may deny such approval for any reason.

8.10.3 Franchisee shall facilitate and allow periodic BIB Event attendee surveys and satisfaction audits to be made by Franchisor, as determined by Franchisor. Additionally, Franchisee shall participate in any complaint resolution and other programs as Franchisor may reasonably establish for the Babes in Business System, which programs may include, without limitation, providing discounts or refunds to attendees.

8.11 Purchases and Approved Suppliers. Franchisee shall purchase all equipment, signs, supplies, décor, merchandise, services, products, computers, point-of-sale systems, marketing materials and promotional programs for the establishment and operation of the Franchised Business from Suppliers designated or approved in writing by Franchisor (as used in this Section 8.11 the term "**Supplier**" shall include manufacturers, providers, distributors and all other forms of suppliers). Franchisor reserves the right to designate, at any time and for any reason, a single Supplier for any equipment, signs, supplies, services, products, marketing materials or promotional programs and to require Franchisee to purchase exclusively from such designated Supplier, which exclusive designated supplier may be Franchisor or an affiliate of Franchisor.

8.11.1 Notwithstanding anything to the contrary contained herein, Franchisor encourages Franchisee to establish relationships with suppliers and vendors in its local market and Franchisor anticipates (subject to the procedures set forth herein) authorizing Franchisee to procure certain products and services from suppliers within its local market. If Franchisee desires to purchase any products or other items, equipment, supplies, services, marketing materials or promotional programs from suppliers other than those previously designated or approved by Franchisor,

Franchisee must first submit to Franchisor a written request for authorization. Franchisee shall not purchase from or utilize any Supplier until, and unless, such Supplier has been approved in writing by Franchisor. Franchisor may deny such approval for any reason, including its determination to limit the number of approved Suppliers. Franchisee must submit to Franchisor such information as Franchisor may reasonably require in order to make its determination. Franchisee shall reimburse Franchisor for any actual costs Franchisor incurs in considering and vetting Franchisee's request.

8.11.2 Franchisor reserves the right, at its option, to revoke its approval upon the Supplier's failure to continue to meet any of Franchisor's then-current criteria. Upon receipt of written notice of such revocation, Franchisee shall cease to sell or use any disapproved item and/or cease to purchase from any disapproved Supplier.

8.11.3 Nothing in the foregoing shall be construed to require Franchisor to approve any particular Supplier, nor to require Franchisor to make available to prospective Suppliers, standards for approval and/or specifications for formulas, which Franchisor shall have the right to deem confidential.

8.11.4 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor's sole option, Franchisor may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally known Suppliers who are willing to supply all or some BIB Franchises with some or all of the products and/or services that Franchisor requires for use and/or sale in the development and/or operation of BIB Franchises. In this event, Franchisor may limit the number of approved Suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all products and services, and/or refuse any of Franchisee's requests for approval if Franchisor believes that this action is in the best interest of the Babes in Business System or the franchised network of BIB Franchises. Franchisor shall have unlimited discretion to approve or disapprove of the Suppliers who may be permitted to sell products and services to Franchisee.

8.11.5 Franchisor and its affiliates may receive payments, rebates, marketing allowances, credits, or other such benefits or compensation from Suppliers on account of such Suppliers' dealings with Franchisee and other franchisees; and Franchisor may use all amounts so received for any purpose Franchisor and its affiliates deem appropriate.

8.12 Business Inspections/ Attendee Surveys. Franchisee shall permit Franchisor to conduct inspections of the Franchised Business operations of Franchisee, including attending any BIB Event hosted by Franchisee, as well as conducting periodic surveys and satisfaction audits of all members. Franchisee shall cooperate with Franchisor's representatives with respect to such inspections and surveys by rendering such assistance as Franchisor may reasonably request; and, upon notice from Franchisor or its agents, and without limiting other rights of Franchisor under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection or survey. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies identified during an inspection or attendee survey which may be susceptible to correction by Franchisor and to charge Franchisee the actual expenses of Franchisor plus an administrative charge of 10% in so acting, which shall be payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

8.13 Trademarked Items. Franchisee shall ensure that all advertising, marketing and promotional materials, signs, and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor. Franchisee shall utilize all required BIB branded signage and promotional materials in accordance with Franchisor's specifications.

8.14 Compliance. Franchisee shall comply with all federal, state and local 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.

8.15 Assumed Name Registrations. Franchisee shall register an assumed name certification for the purpose of doing business as a "Babes in Business," and provide a true copy of such registered assumed name certification to Franchisor. Franchisee shall not use the words "Babes in Business" or any variation thereof in its registered business

name without receiving prior written approval from Franchisor to do so, which Franchisor reserves sole discretion to grant or deny (denial being likely).

8.16 Pricing. Franchisor may, in the exercise of its reasonable business judgment and to the extent permitted by applicable law, establish prices for Approved Products and Services, or a range of acceptable prices, or minimum advertised pricing that, in any case, shall be adhered to by Franchisee and all other similarly situated BIB Franchises. In the event that Franchisor establishes such pricing, Franchisee shall strictly adhere to such pricing unless Franchisee seeks and obtains approval from Franchisor to vary from the prices set by Franchisor.

8.17 Prohibited Product/Service Fine. In the event Franchisee sells or utilizes a product or performs any services that Franchisor has not prescribed, approved or authorized, or conducts its BIB Events in violation of Section 8.11.1, or communicates in any way with its attendees, followers, members or the general public in violation of this Agreement or the Manuals, Franchisee shall (i) cease and desist such action(s) and pay to Franchisor, on demand, a prohibited product or service fine equal to One Thousand Dollars (\$1000) for the first violation, Five Thousand Dollars (\$5000) for the second violation and Ten Thousand Dollars for the third violation for such unauthorized or unapproved product or service is offered utilized or provided by Franchisee or such unauthorized or unapproved action is taken. The prohibited product or service fine shall be in addition to all other remedies available to Franchisor under this Agreement or at law, including Franchisor's right to terminate the Agreement for breach as set forth in Section 17.

8.18 Participation in Promotions. Franchisee shall participate in promotional programs developed by Franchisor for the Babes in Business System, in the manner directed by Franchisor in the Manuals or otherwise in writing.

8.19 Obligations to Third Parties. Franchisee must at all times pay its suppliers, employees, Host Venue, lessors, lenders, tax authorities, and other creditors, promptly as the debts and obligations to such persons become due. Failure to do so shall constitute a breach of this Agreement.

8.20 Notice of Legal Actions. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which (i) relates to the operation of the Franchised Business, (ii) may adversely affect the operation or financial condition of the Franchised Business, or (iii) may adversely affect Franchisee's financial condition.

8.21 Franchisee Advisory Councils. If Franchisor should, during the term of this Agreement, form or require the formation of a franchisee advisory council or association (hereinafter "**Advisory Council**") or such successor council to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to BIB Franchises, Franchisee may be required to become a member of the Advisory Council.

8.22 Changes to the Babes in Business System. Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the Babes in Business System presently identified by the Proprietary Marks, as Franchisor deems appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the Babes in Business System may be required from time to time to preserve and enhance the public image of the Babes in Business System and operations of Babes in Business Businesses. Changes to the Babes in Business System may include, without limitation, the adoption and use of new, modified, or substituted products, services, programs, standards, policies and procedures, forms, equipment and new techniques and methodologies, and (as described in Section 9 below) additional or substitute trademarks, service marks and copyrighted materials. Changes to the Babes in Business System may further include, without limitation, abandoning the Babes in Business System altogether in favor of another system in connection with a merger, acquisition, other business combination; and modifying or substituting entirely the equipment, signage, and uniform specifications and all other operational attributes which Franchisee is required to observe hereunder. Franchisee shall, upon reasonable notice, accept, implement, use in the operation of the Franchised Business any such changes in the Babes in Business System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the Babes in Business System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular Territory or circumstance, existing business practices, or other factors that Franchisor deems to be important

to the operation of any BIB Franchise or the Babes in Business System. Franchisee shall have no recourse against Franchisor on account of any variation to any franchisee and shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder. Except as provided herein, Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications contemplated hereby. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, Franchisee expressly waives 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.

8.23 Modifications Proposed by Franchisee. Franchisee shall not implement any change to the Babes in Business System (including the use of any product or service not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the Babes in Business System or use of additional product or service for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the Babes in Business System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of a particular change or amendment to the Babes in Business System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

8.24 Non-Disparagement. Franchisee shall not communicate or publish, directly or indirectly, any disparaging comments or information about Franchisor during the term of this Agreement or thereafter. This provision shall include, but not be limited to, communication or distribution of information through the Internet via any Social Media, as defined herein.

9. PROPRIETARY MARKS; COPYRIGHTS

9.1 Ownership. Franchisor represents with respect to the Proprietary Marks that:

9.1.1 Franchisor is the owner of the Proprietary Marks. Franchisee acknowledges that Franchisor has not made any representation or warranty to the effect that the Proprietary Marks which have not been registered shall be registered or are able to be registered therein, and the failure to obtain registrations of any of the Proprietary Marks shall not be deemed to be a breach of the terms of this Agreement by Franchisor. Moreover, Franchisee shall cooperate with Franchisor, and its representatives, at Franchisor's expense, in the prosecution of any applications or registrations of any Proprietary Marks which have been filed with the appropriate authorities.

9.1.2 Franchisor will take all steps reasonably necessary to preserve and protect the ownership and validity in and to the Proprietary Marks.

9.2 License to Franchisee. Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement in connection with the operation of the Franchised Business, and any unauthorized use thereof shall constitute an infringement of rights of Franchisor. 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 Franchisor.

9.3 Terms of Franchisee's Usage. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

9.3.1 It shall use only the Proprietary Marks designated by Franchisor, and to use them only in the manner authorized and permitted by Franchisor. Further, Franchisee shall not use any confusingly similar Trademarks in connection with its franchise or any other business in which it has an interest;

9.3.2 It shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in Franchisor-approved advertising or marketing for the business conducted at or from that location;

9.3.3 It shall operate and advertise the Franchised Business only under the name “Babes in Business,” and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by Franchisor.

9.3.4 It shall not use the Proprietary Marks as part of its corporate or other legal name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee may, as necessary to conduct the business of the Franchised Business and to obtain governmental licenses and permits for the Franchised Business, indicate that Franchisee shall be operating the Franchised Business under the trade name “Babes in Business,” provided that Franchisee shall also clearly identify itself as the owner and operator of the Franchised Business;

9.3.5 It shall identify itself as the owner of the Franchised Business (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including on invoices, receipts, and business stationery, as Franchisor may designate in writing;

9.3.6 It shall not use the Proprietary Marks in such a way as to incur any obligation or indebtedness on behalf of Franchisor; and

9.3.7 It shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. At Franchisor’s request, Franchisee shall assign, transfer or convey to Franchisor, in writing, all additional rights, if any, that may be acquired by Franchisee as a result of its use of the Proprietary Marks.

9.4 Franchisee Acknowledgments. Franchisee expressly understands and acknowledges that:

9.4.1 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Franchisor’s right to use and to license others to use, the Proprietary Marks;

9.4.2 Franchisee’s use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

9.4.3 Any and all goodwill arising from Franchisee’s use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor, and, upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee’s use of the Babes in Business System or the Proprietary Marks;

9.4.4 The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee;

9.4.5 Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising and marketing material forms and all other objects and supplies using the Proprietary Marks. All advertising, marketing, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the Proprietary Marks shall be in accordance with this Agreement and the Confidential Operations Manuals, and Franchisee shall obtain Franchisor’s approval prior to such use;

9.4.6 Franchisor shall have the right to substitute different proprietary marks for use in identifying the Babes in Business System and the businesses operating thereunder at the sole discretion of Franchisor. If it becomes advisable at any time, in the discretion of Franchisor, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then Franchisee shall be obligated to comply with any such instruction by Franchisor. In such event and at Franchisor’s direction, Franchisee shall adopt, use and display only such new or modified Proprietary Marks and shall promptly discontinue the use and display of outmoded or superseded Proprietary Marks, at Franchisee’s expense. Franchisee waives any other claim arising from or relating to

any Proprietary Mark change, modification or substitution. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any proprietary mark addition, modification, substitution or discontinuation. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages;

9.4.7 Upon the expiration, termination or non-renewal of this Agreement, Franchisee shall immediately cease using the Proprietary Marks, color combinations, designs, symbols or slogans; and Franchisor may cause Franchisee 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, Franchisee shall not represent or imply that he is associated with Franchisor. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of the Proprietary Marks will result in irreparable harm to Franchisor for which Franchisor may obtain injunctive relief, monetary damages, reasonable attorneys' fees and costs;

9.4.8 In order to develop and maintain high uniform standards of quality and service and to protect the reputation and goodwill of Franchisor, Franchisee agrees to do business and advertise using only the Proprietary Marks designated by the Franchisor. Franchisee shall not do business or advertise using any other name. Franchisee is not authorized to and shall not use the words "Babes in Business" by itself, as a part of the legal name of any corporation, partnership, proprietorship or other business entity to which Franchisee is associated, or with a bank account, trade account or in any legal or financial connection;

9.4.9 In order to preserve the validity and integrity of the Proprietary Marks, and to assure that Franchisee is properly employing them in the operation of Franchisee's business, Franchisor and its agents shall have the right at all reasonable times to inspect Franchisee's business, financial books and records, and operations. Franchisee shall cooperate with and assist Franchisor's representative in such inspections;

9.4.10 Franchisee shall be required to affix the 'tm' or 'sm' or ® symbol upon all advertising, marketing, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the words "Babes in Business" or any other of the Proprietary Marks, whether presently existing or developed in the future;

9.4.11 Franchisee acknowledges that it does not have any right to deny the use of the Proprietary Marks to any other franchisees. In consideration therefor, Franchisee shall execute all documents and take such action as may be requested to allow Franchisor or other franchisees to have full use of the Proprietary Marks;

9.4.12 If, during the term of this Agreement, there is a claim of prior use of any of the Proprietary Marks in the area in which Franchisee is doing business or in another area or areas, Franchisee shall so use any of Franchisor's other Proprietary Marks in such a way and at Franchisor's discretion in order to avoid a continuing conflict;

9.4.13 Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's 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. Franchisee also agrees to immediately notify Franchisor of any other litigation instituted by any person, firm, corporation or governmental entity against Franchisor or Franchisee;

9.4.14 Franchisor shall undertake the defense or prosecution of any litigation concerning Franchisee that relates to any of the Proprietary Marks or that, in Franchisor's judgment, may affect the goodwill of the Babes in Business System; and Franchisor may, in such circumstances, undertake any other action which it deems appropriate.

9.4.15 Franchisor shall have sole and complete discretion in the conduct of any defense, prosecution or other action it chooses to undertake. In that event, Franchisee shall execute those documents and perform those acts which, in the opinion of Franchisor, are necessary for the defense or prosecution of the litigation or for such other action as may be undertaken by Franchisor; and Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, all damages for which it is held liable in any proceeding in which Franchisee's 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 Franchisee in the defense of any such claim brought against it or in any such proceedings in which it is named as a party, provided that Franchisee has timely notified the Franchisor of such claim or proceedings, has otherwise complied with this Agreement and has tendered complete control of the defense of such to the Franchisor. If the Franchisor defends such claim, the Franchisor shall have no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

9.4.16 Franchisor is the owner of the copyright in the Manuals, advertising, marketing and promotional materials, Website, Intranet, and all other systems, binders, videotapes, software, and printed materials which from time-to-time form part of the Babes in Business System (as well as all revisions and additions of or to any of the foregoing) (collectively, the “**Copyrighted Materials**”). Franchisee acknowledges that Franchisee’s right to use the Copyrighted Materials is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed in writing by Franchisor during the term and any exercised renewal term. Any unauthorized use of any of the Copyrighted Materials by Franchisee shall be an infringement of the rights of Franchisor in and to the Copyrighted Materials and shall constitute a breach of this Agreement. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, Franchisor’s application for registration or protection of any of the Copyrighted Materials in the United States or any foreign copyright office. Franchisee will ensure that all Copyrighted Materials used by Franchisee bear whatever copyright notice, may be prescribed from time to time in writing to Franchisee by Franchisor.

10. MANUALS

10.1 **The Manuals and Furnishings to Franchisee.** In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the Babes in Business System, Franchisee shall operate the Franchised Business in accordance with the standards, specifications, methods, policies, and procedures specified in the Manuals, which Franchisee shall receive on loan from Franchisor, in a manner chosen by Franchisor, via electronic access, hard copy volumes, computer disks, videotapes, or otherwise, including such amendments thereto, as Franchisor may publish from time to time, upon completion by Franchisee of Initial Training. Franchisee expressly acknowledges and agrees that Franchisor may provide a portion or all (including updates and amendments) of the Manuals, and other instructional information and materials in, or via, Social Media, including without limitation, the use of the Internet.

10.2 **The Manuals are Proprietary and Confidential.** Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. Franchisee shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor.

10.3 **The Manuals Remain Franchisor’s Property.** The Manuals shall remain the sole property of Franchisor and shall be accessible only from a secure place at the Franchisees place of business, and shall be returned to Franchisor, as set forth in Section 18.8 below, upon the termination or expiration of this Agreement.

10.4 **Revisions to the Manuals.** Franchisor may from time to time revise the contents of the Manuals to improve or maintain the standards of the Babes in Business System and the efficient operation thereof, or to protect or maintain the goodwill associated with the Proprietary Marks or to meet competition, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall insure that the Manuals are kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copies maintained at the home office of Franchisor shall be controlling.

10.5 **Part of Agreement.** From the date of the commencement of the Franchised Business, the mandatory specifications, standards and operating procedures prescribed by Franchisor and communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manuals and all such mandatory specifications standards and operating procedures.

11. RELOCATION

(a) If Franchisee wishes to relocate its Franchise Business, Franchisee shall submit a written request to Franchisor. Franchisee shall consider the request and may approve or disapprove the request in its sole discretion. If Franchisor elects to approve relocation, such relocation shall occur unless all of the following conditions are met:

(b) Franchisee and its related parties are in good standing under this Agreement and Franchisee and its related parties are in compliance with all provisions of the Manual;

(c) Franchisee and its related parties that have signed this Agreement have agreed to cancel this Agreement and execute a new Franchise Agreement in the form that is currently effective at the time of relocation (with a term equal to the then remaining term of this Agreement);

(d) Franchisee and its related parties shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its related parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between Franchisee and its related parties or its affiliates, and federal, state, and local laws and rules;

(e) Franchisee shall ensure that it is able to satisfy the minimum BIB Event requirements of this Agreement notwithstanding its relocation; and

(f) Franchisee shall pay Franchisor a relocation fee of Two Thousand Five Hundred Dollars (\$2,500).

12. CONFIDENTIAL INFORMATION

12.1 **Agreement with Respect to Confidentiality.** Franchisee acknowledges and agrees that it shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning Franchisor, the Babes in Business System, and/or the marketing, management or operations of the Franchised Business that may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee acknowledges and agrees that all current and former follower, member, and vendor lists, contact information and data is considered to be Franchisor's confidential and proprietary information and shall be considered confidential information subject to this Section 12. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, and techniques concerning Franchisor, the Babes in Business System, and/or the marketing, management or operations of the Franchised Business shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

12.2 **Individual Covenants of Confidentiality.** Franchisee shall require any principals of Franchisee (and any member of their immediate families or households) as well as any personnel having access to any confidential information of Franchisor to execute a nondisclosure and noncompetition agreement upon execution of this Agreement or prior to each such person's affiliation with you. Upon our request, you will provide us with copies of all nondisclosure and noncompetition agreements signed pursuant to this Section. Such Agreements shall remain on file at your offices and are subject to audit or review as otherwise set forth in this Agreement. Franchisor will be a third-party beneficiary with the right to enforce covenants contained in such agreements or, at our option, we will be a direct party to the agreement with an independent right to enforce such agreement. The current form of nondisclosure and noncompetition is set forth as Exhibit C.

12.3 **Remedies for Breach.** Franchisee acknowledges that any failure to comply with the requirements of this Section 11 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 12.

12.4 Grant back. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques, products and services, software applications, and software application improvements conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating to the development and/or operation of the Franchised Business. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non- exclusive, and worldwide right to use any such ideas, concepts, methods, techniques, software applications, software application improvements in all businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques, software applications, software application improvements or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique, software application or product without obtaining Franchisor's prior written approval.

12.5 Protection of Attendee, Follower and Member Information. Franchisee must comply with Franchisor's specifications, standards, other directions from Franchisor, and all applicable laws regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Franchisee's attendee, follower and member information and, in any event, employ reasonable means to safeguard the confidentiality and security of attendee, follower and member information. If there is a suspected or actual breach of security or unauthorized access involving attendee, follower and/or member information, Franchisee must notify Franchisor immediately after becoming aware of such actual or suspected occurrence and specify the extent to which attendee, follower and/or member information was compromised or disclosed. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of a breach of security or unauthorized access to attendee, member and/or follower information in its control or possession.

12.6 Ownership and Use of Attendee/Follower/Member/Vendor Information. Franchisee agree that all attendee, follower, member and vendor information that it collects in connection with its Franchised Business is deemed to be owned by Franchisor and must be furnished to Franchisor at any time that we request it. In addition, Franchisor and its affiliates may, through the POS system, membership management system or otherwise, have independent access to attendee, member, follower and vendor information. Franchisee has the right to use attendee, follower, member and vendor information while this Agreement or a successor franchise agreement is in effect, but only for the purposes of operating its Franchised Business. Franchisee may not sell, transfer, or use attendee, member, follower or vendor information for any purpose other than marketing Babes in Business® products and services. Franchisor and/or its affiliates may use attendee, follower, member or vendor information in any manner or for any purpose. Franchisee must secure from your actual and prospective attendees, followers, vendors, and members all consents and authorizations, and provide them all disclosures, that applicable laws require to transmit attendee, follower, member and vendor information to Franchisor and our affiliates, and for Franchisor and our affiliates to use that information, in the manner that this Agreement contemplates. In addition to any other requirements that Franchisor or applicable law may impose, Franchisee shall ensure that appropriate signage is prominently displayed at all BIB Events advising attendees and vendors of their rights with respect to their privacy at such events (including, but not limited to, with respect to their photography and videography that may take place at such events).

13. ACCOUNTING AND RECORDS

13.1 Books and Records. With respect to the operation and financial condition of the Franchised Business, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain during the term of this Agreement full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) cash receipts journal and general ledger; (ii) cash disbursements schedule; (iii) monthly bank statements, deposit slips and cancelled checks; (iv) all tax returns; (v) invoices (paid and unpaid); and (vi) such other records as Franchisor may from time to time request.

13.2 Franchisee's Reports to Franchisor. Franchisee shall:

13.2.1 At Franchisor's option, prepare by the twentieth (20th) day after each monthly accounting period

any or all of the following: (i) balance sheet, (ii) profit and loss statement, (iii) cash flow statement and (iv) an activity report for the last preceding calendar month, which shall be in the form prescribed by Franchisor. Franchisee shall maintain and submit such statements and reports to Franchisor at the times as Franchisor may designate or otherwise request.

13.2.2 Submit to Franchisor on March 15th of the year following the end of each calendar year, unless Franchisor designates in writing a different due date, during the term of this Agreement, a profit and loss statement for such year and a balance sheet as of the last day of such year. Franchisee shall certify such financial statements to be true and correct. Additionally, Franchisor reserves the right to require Franchisee to prepare (or cause to be prepared) and provide to Franchisor annual financial statements, (that includes a fiscal year-end balance sheet, an income statement of the Franchised Business for such fiscal year reflecting all year-end adjustments, and a statement of changes in cash flow of Franchisee. Franchisee shall provide such additional information, if any, as Franchisor may reasonably require in order for Franchisor to meet its obligations under GAAP.

13.2.3 Franchisee shall maintain its books and records, and provide all statements and reports to Franchisor, using the standard statements, templates, categories, and chart of accounts that Franchisor may provide to Franchisee.

13.2.4 Submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Manuals or as Franchisor shall otherwise require in writing from time to time (including without limitation the requirement that Franchisee provide or make available to Franchisor certain sales and financial information in electronic format and/or by electronic means).

13.3 Inspection and Audit. Franchisor reserves the right to examine and copy, at the expense of Franchisor, the books, records, accounts, and/or business tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee.

14. MARKETING AND PROMOTION

14.1 Marketing Fund. Franchisee shall contribute, in the manner prescribed by Franchisor, two percent (2%) of Your Gross Revenue per month to the Marketing Fund to be used for advertising, marketing and promotion of the Babes in Business® brand. While Franchisor has no affirmative obligation to conduct marketing on behalf of the System, Franchisor may utilize funds of the Marketing Fund to be spent on local, regional or national advertising and marketing efforts, as Franchisor determines in its sole discretion. Franchisor may, in its sole discretion, utilize any marketing channels it deems appropriate and may elect to administer the Marketing Fund and related activities in-house or outsource to a third party. The Marketing Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Franchisor believes will enhance the image of the System, including, among other things, the costs of preparing and conducting media advertising campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; and providing promotional and other marketing materials and services to the Franchised Businesses operated under the System. Franchisor does not intend to utilize the Marketing Fund to solicit new franchisees or to benefit any one franchisee specifically, although it reserves the right to do so in its sole discretion. The Marketing Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Franchisor, which products, services, or improvements Franchisor deems, in its sole discretion, will promote general public awareness and favorable support for the System. In the event that we maintain a System Website, we reserve the right to use the Marketing Fund's assets to develop, maintain and update the System Website.

14.1.1 Franchisor and its designee are not obligated, in administering the Marketing Fund, to make expenditures for Franchisee or the Franchised Business that are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund. Franchisee acknowledges and agrees that Franchisor's administration of the Marketing Fund does not create any fiduciary relationship between Franchisee and Franchisor.

14.1.2 Franchisor reserves the right to establish one or more additional funds for marketing or advertising purposes in the future; in the event that such new or additional funds are created, Franchisor reserves the right to require you to contribute to such funds although your cumulative marketing fund contribution may not exceed your current Marketing Fund requirement of two percent. Franchisor reserves the right to change, dissolve or merge the Marketing Fund or any new fund at any time.

14.1.3 Franchisor shall not be required to segregate Marketing Fund payments or to maintain a separate account for the Marketing Fund apart from its other funds. Franchisor shall not be required to spend all Marketing Funds in the year in which they are collected; any unspent Marketing Fund amounts will carry over into future years.; Franchisor shall not be required to provide an accounting to you in connection with its use of Marketing Funds or to conduct an audit of the Marketing Fund.

14.2 **Local Marketing Requirement.** Each month, Franchisee shall spend a minimum of one percent (1%) of Gross Revenue on local advertising, marketing and promotion that conforms to the specifications in the Manual (the “**Local Marketing Requirement**”). For purposes of this paragraph, “local marketing” means marketing, advertising, public relations, sponsorships and promotions that is primarily directed to persons or entities within your Territory; for the avoidance of doubt, it shall not include any employee wages or salaries, travel costs, printing or distribution costs. Franchisee shall submit, on or before the 7 (7th) day of each month, copies of invoices or receipts to Franchisor for local marketing materials or media or both showing compliance with the provisions of this paragraph during the immediately preceding month. The “**Local Marketing Deficiency Fee**” shall mean any amounts that were required to be spent pursuant to the Local Marketing Requirement that were not spent or not accounted for by Franchisee on its monthly report. Franchisor will only charge Franchisee a Local Marketing Deficiency Fee if you fail to provide proof that You are meeting the minimum monthly local marketing expenditure requirements. Marketing expenditures made by Franchisee in any one month that are in excess of the required Local Marketing Requirement may not be used to offset shortfalls in any later month unless Franchisor otherwise expressly approves in writing.

14.2.1 If Franchisee does not provide Franchisor with proof that Franchisee has satisfied the minimum Local Marketing Requirement, Franchisor may, in its sole discretion, assess the Local Marketing Deficiency Fee and may, in its sole discretion, (a) require Franchisee to immediately expend the Local Marketing Deficiency Fee itself on behalf of its Franchised Business; (b) require Franchisee to pay the Local Marketing Deficiency Fee to the Marketing Fund; or (c) require Franchisee to pay the Local Marketing Deficiency Fee to Franchisor to be used by Franchisor in its sole discretion for the Franchised Business or Franchisee’s Territory. If Franchisor elects to spend the Local Marketing Deficiency Fee for the benefit of your Franchised Business or your Territory, You acknowledge and agree that Franchisor may select, in its sole discretion, the form and nature of the marketing to be purchased for the Franchised Business with the Local Marketing Deficiency Fee and further acknowledge and agree that the Local Marketing Deficiency Fee does not create any fiduciary relationship between You and Franchisor, and that Franchisor has no obligation to account for the Local Marketing Deficiency Fee.

14.2.2 Franchisee acknowledges and agrees that its Local Marketing Requirement pursuant to this Section 14 is in addition to, and different from, the Marketing Fund Fee it is obligated to pay to Franchisor pursuant to Section 4.5.

14.3 **Standards for Franchisee Local Marketing.** All advertising, marketing and promotion to be used by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any marketing or promotional plans or materials that are not provided by Franchisor unless and until Franchisee has submitted the materials to Franchisor, pursuant to the procedures and terms set forth in Section 14 herein. Although it does not do so as of the Effective Date of this Agreement, Franchisor reserves the right to require Franchisee to purchase certain advertising and marketing materials from its designated suppliers in the future.

14.4 **Franchisor’s Approval of Proposed Plans and Materials.** If Franchisee desires to use marketing and promotional plans and materials that have not been provided or previously approved by Franchisor, Franchisee shall submit samples of all such marketing and promotional plans and materials to Franchisor (as provided in Section 23 herein) for prior approval (including prices to be charged). If written notice of approval is not received by Franchisee from Franchisor within five (5) business days of the date of receipt by Franchisor of such samples or materials, Franchisor

shall be deemed to have not approved them.

14.5 Ownership of Advertising and Marketing Plans and Materials. Franchisee acknowledges and agrees that any and all copyrights in and to advertising, marketing and promotional materials developed by or on behalf of Franchisee which bear the Proprietary Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Business or the Babes in Business System and approved by Franchisor may be used by Franchisor and other operators under the Babes in Business System of Franchisor without any compensation to Franchisee.

14.6 Social Media. Franchisee acknowledges and agrees that Franchisee's use of Social Media platforms, such as Facebook and Instagram, shall be extremely important to the establishment, growth and success of the Franchised Business. Franchisee shall maximize its use of Social Media and shall conduct its Franchised Business in accordance with all specifications set forth in the Manual by Franchisor, including all specifications relating to Franchisee's use of Social Media. Franchisee understands that, unless Franchisor provides its express approval in advance, Franchisee shall be prohibited from using its Social Media pages or accounts to link to any website, Social Media account, business or third party other than the official Babes in Business® website or other official Babes in Business® link.

14.7 Sale of Third-Party Advertising. Franchisee shall not sell third-party advertising on its Social Media accounts unless Franchisor expressly authorizes Franchisee to do so; Franchisor reserves the right to approve or deny Franchisee's request to sell advertising in our sole discretion. Franchisor anticipates, but is not obligated to, authorizing the sale of approved advertising packages upon Franchisee obtaining a specified number of Social Media followers for the Franchised Business. Franchisor may, in its sole discretion, set the pricing for such third-party advertising and may adjust such pricing as Franchisee's followers increase/decrease. Any advertising revenue generated in this way shall be considered as revenue for purposes of calculating Gross Revenue for purposes of Section 4.3 of this Agreement.

14.8 Advertising and Marketing for Franchisee's Unrelated Businesses. Franchisor may, upon prior written approval, authorize Franchisee to utilize its BIB Social Media accounts to advertise for Franchisee's unrelated business provided that such unrelated business does not, in our sole discretion, compete with the Babes in Business® concept nor have the potential to detrimentally affect the Babes in Business® brand, system, or general reputation. If Franchisor authorizes you to advertise for your unrelated businesses on your Babes in Business® Social Media accounts, we may, in our sole discretion, allow you to provide such advertising to your unrelated business free or at a reduced fee. In the event that we authorize you to provide free advertising for your unrelated business, you shall not be required to pay royalties on the forgiven advertising revenues.

15. INSURANCE

15.1 Insurance. Franchisee shall procure at its expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, partners and employees against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with Franchisee's operations and the Franchised Business, as Franchisor may reasonably require for its own and Franchisee's protection. Franchisor and such of its respective affiliates shall be named additional insured in such policy or policies on a primary and noncontributory basis. Franchisee shall consult with its insurance advisor and procure insurance policies that comply with all applicable policies and requirements of Franchisor; currently, Franchisor accepts annual or "per event" coverage; however, Franchisor reserves the right to require ongoing annual coverage in the future upon notice to Franchisee.

15.2 Coverages. Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with standards and specifications set forth in the Manuals or otherwise in writing; provided, however, that Franchisor reserves the right to designate from time to time, one or more insurance companies to act as the insurance carrier(s) for BIB Franchises, and if required by Franchisor, Franchisee shall obtain its insurance coverage from the designated insurance company (or companies). The policy or policies shall include, without limitation, at a minimum, general liability including employment practices liability and personal injury coverage, commercial automobile liability,

property damage and worker's compensation insurance. 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. The insurance shall cover the acts or omissions of each and every one of the persons who perform services of whatever nature at the Franchised Business and shall protect against all acts of any persons who patronize the Franchised Business and shall contain a waiver of subrogation against Franchisor. Franchisee shall immediately notify Franchisor, in writing, of any accidents, injury, occurrence or claim that might give rise to a liability or claim against Franchisor or which could materially affect the Franchised Business, and such notice shall be provided no later than the date upon which Franchisee notifies its insurance carrier.

15.3 Certificates of Insurance. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. At least ten (10) days prior to the commencement of operations of the Franchised Business, and at least ten (10) days prior to any policy renewals, Franchisee shall provide Franchisor with a Certificate of Insurance showing compliance with Franchisor's insurance requirements. Such certificate shall state that said policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by Franchisee of the obligations under this Section shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Franchisee acknowledges that minimum limits as required above may be modified by Franchisor in its sole discretion from time to time, by written notice to Franchisee.

15.4 Franchisor's Right to Procure Insurance for Franchisee. Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) to immediately procure such insurance coverage and to charge same to Franchisee, which charges, together with an administrative fee of ten percent (10%) for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

16. TRANSFER OF INTEREST

16.1 Franchisor's Rights to Transfer. Franchisor shall have the right, without the need for Franchisee's consent, to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, provided that any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Upon any such transfer or assignment, Franchisor shall be under no further obligation hereunder, except for accrued liabilities, if any. If Franchisor transfers or assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the "Babes in Business" business or to offer or sell any products or services to Franchisee. In addition, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may sell its assets, its Proprietary Marks, or its Babes in Business System; may sell its securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring.

16.2 No Transfers Without Franchisor's Approval. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee or the Principals of Franchisee, if Franchisee is not an individual, and that Franchisor has granted this franchise in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

16.2.1 Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber: (a) the rights and/or obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Franchised Business.

16.2.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, unless the recipient of any such securities shall become a Principal under this Agreement and is approved by Franchisor in its sole discretion.

16.2.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal under this Agreement.

16.2.3 A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any ownership interest of the Principal in Franchisee, as such is identified in Exhibit B.

16.3 Conditions on Transfer. Franchisor shall not unreasonably withhold any consent required by Section 16.2 above. However, if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would: (a) have the effect of changing control of Franchisee; (b) result in the assignment of the rights and obligations of Franchisee under this Agreement; or (c) transfer the ownership interest in all or substantially all of the assets of the Franchised Business, Franchisor shall have the right to require any or all of the following as conditions of its approval:

16.3.1 All of Franchisee's monetary obligations and all other outstanding obligations to Franchisor, its affiliates, and the approved suppliers of the Babes in Business System have been satisfied in full;

16.3.2 Franchisee shall not be in default under any provision of this Agreement, any other agreement between Franchisee and Franchisor or its affiliate, or any approved supplier of the Babes in Business System;

16.3.3 Each transferor (and, if the transferor is other than an individual, the transferor and such owners of beneficial interest in the transferor as Franchisor may request) shall have executed a general release in a form satisfactory to Franchisor of any and all claims against Franchisor and its affiliates and their respective officers, directors, agents, and employees;

16.3.4 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Franchisee. Additionally, the transferee (and, if the transferee is other than an individual, the transferee and such owners of beneficial interest in the transferee as Franchisor may request) shall guarantee the performance of the transferee's obligations in writing in a form satisfactory to Franchisor;

16.3.5 The transferee shall demonstrate to Franchisor's satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, such owners of beneficial interest in the transferee as Franchisor may request) meets Franchisor's then-current application qualifications (which may include educational, managerial, socially responsible and business standards, as well as good moral character, business reputation, and credit rating); has the aptitude and ability to operate the Franchised Business; absence of conflicting interests; and has adequate financial resources and capital to operate the Franchised Business;

16.3.6 At Franchisor's option, the transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) shall execute the form of franchise agreement then being offered to new Babes in Business System franchisees, and such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, higher and/or additional fees;

16.3.7 If so requested by Franchisor, the transferee, at its expense, shall upgrade the Franchised Business, and other equipment to conform to the then-current standards and specifications of new BIB Franchises then being established in the Babes in Business System, and shall complete the upgrading and other requirements within the time specified by Franchisor.

16.3.8 The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchised Business that arose prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

16.3.9 The transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) shall, at the transferee's expense, successfully attend and successfully complete any training programs then in effect upon such terms and conditions as Franchisor may reasonably require;

16.3.10 Franchisee shall pay a transfer fee in an amount equal Three Thousand Five Hundred Dollars (\$3,500).

16.3.11 The transferor(s), at the request of Franchisor, shall agree in writing to comply with the covenants set forth in Section 19 below.

16.4 Additional Terms. For any transfer not covered by Section 16.3, each transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) shall, in addition to the requirement of obtaining Franchisor's consent as provided in Section 16.2, be subject to the requirements of Sections 16.3.3 and 16.3.4 above (with respect to execution of releases and personal guarantees).

16.5 Right of First Refusal. If Franchisee or any Principal desires to accept any *bona fide* offer from a third party to purchase Franchisee or any direct or indirect interest in Franchisee, Franchisee or such Principal shall promptly notify Franchisor, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor (or Franchisor's affiliate) shall have the right and option, exercisable within thirty (30) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor (or Franchisor's affiliate) intends to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, domestic partner, parent or child of the seller shall not be considered a third party for purposes of this Section 16.5. If Franchisor (or Franchisor's affiliate) elects to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of the election to purchase by Franchisor (or Franchisor's affiliate), or, if longer, on the same timetable as contained in the *bona fide* offer.

16.5.1 Any material change thereafter in the terms of the offer from the third party or by Franchisee, or a change in the identity of the third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 16.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 16, with respect to a proposed transfer.

16.5.2 If the consideration, terms, and/or conditions offered by a third party are such that Franchisor (or Franchisor's affiliate) may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor (or Franchisor's affiliate) may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, Franchisor shall designate an independent appraiser to make a binding determination. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor (or Franchisor's affiliate) elects to exercise its right under this Section 16.5, Franchisor (or Franchisor's affiliate) shall have the right to set off all amounts due from Franchisee, and one-half (1/2) of the cost of the appraisal, if any, against any payment to the seller.

16.6 Death of a Principal. Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party acceptable to and approved by Franchisor within twelve (12) months after the death.

16.7 Permanent Disability of Controlling Principal. Upon the permanent disability of any Principal with a controlling interest in Franchisee, Franchisor shall have the right to require such interest to be transferred to a third party in accordance with the conditions described in this Section 16 within six (6) months after notice to Franchisee. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months; and from

which recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 16.7 as of the date of refusal. Franchisor shall pay the cost of the required examination.

16.8 Notice to Franchisor of Death or Permanent Disability. Upon the death or permanent disability of Franchisee or any Principal of Franchisee, such person or his representative shall promptly notify Franchisor of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

16.9 Limited Exceptions. Notwithstanding anything to the contrary in this Section 16:

16.9.1 Franchisee shall not be required to pay the transfer fee due under Section 16.3.10 above, if the transferee: (a) is a spouse, parent, or direct lineal descendant or sibling of Franchisee or of a Principal of Franchisee (or more than one of such persons), provided that the transferee has been involved in, and is knowledgeable regarding, the operations of the Franchised Business; (b) is a Principal of Franchisee; or (c); is a transferee under Sections 16.6 or 16.7 above.

16.9.2 If Franchisee is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 16.3.6 (signing a new franchise agreement), 16.3.7 (upgrading the Franchised Business), and 16.3.10 (transfer fee) shall not apply, and Franchisee may undertake such transfer, provided that: (a) Franchisee owns one hundred percent (100%) of the equity interest in the transferee entity; (b) Franchisee and any other Principal(s) personally guarantee, in a written guaranty satisfactory to Franchisor, the performance of the obligations and covenants of the Franchisee under the Franchise Agreement; (c) Franchisee executes a Transfer of Franchise form as prescribed and approved by Franchisor; (d) such transferee entity is newly organized and its business purpose is confined exclusively to operating the Franchised Business under this Agreement; and (e) Franchisee and any other Principal(s) execute any and all other ancillary agreements as Franchisor may require.

16.10 No Waiver. The consent of Franchisor to any transfer pursuant to this Section 16 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be a waiver of the right of Franchisor to demand exact compliance with any of the terms of this Agreement by any transferor or transferee.

16.11 Bankruptcy. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of the ownership of Franchisee, Franchisee's obligations and/or rights hereunder and/or any material assets of Franchisee, shall be subject to all of the terms of this Section 16.

16.12 No Transfers in Violation of Law. Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

17. DEFAULT AND TERMINATION

17.1 Automatic Termination. Franchisee shall be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if

execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.2 Termination Upon Notice. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately by giving written notice to Franchisee (in the manner provided under Section 25 hereof), upon the occurrence of any of the following events:

17.2.1 If Franchisee fails to complete all pre-commencement obligations in accordance with Section 5.2, opening timeline, as set forth in Section 1.5;

17.2.2 If Franchisee or any of its Principals is charged with a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the Babes in Business System, the Proprietary Marks, the goodwill associated therewith, or the interest of Franchisor therein;

17.2.3 If Franchisee's action or inaction, at any time, results in the loss of the right or forfeiture of the right to do or transact business in the jurisdiction where the Franchised Business is located;

17.2.4 If Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 16 hereof;

17.2.5 If Franchisee knowingly maintains false books or records, or knowingly submits any false statements or reports to Franchisor;

17.2.6 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manuals or other confidential information provided to Franchisee by Franchisor;

17.2.7 If Franchisee fails to comply with the covenants in Section 19.2 below or fails to timely obtain execution of the covenants required under Section 19.5 and 20.2 below;

17.2.8 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the Babes in Business System, or if Franchisee otherwise operates the Franchised Business in a manner that materially impairs the reputation or goodwill associated with the Babes in Business System, Proprietary Marks or the rights of Franchisor therein;

17.2.9 If Franchisee, after curing a default pursuant to Sections 17.3 or 17.4 hereof, commits the same default again, whether or not cured after notice;

17.2.10 If Franchisee commits three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice (this provision in no way limits Section 17.2.9 above);

17.2.11 If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure.

17.3 Notice and Opportunity to Cure - 7 Days. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement by giving written notice of termination (in the manner set forth under Section 25 hereof) stating the nature of the default to Franchisee at least seven (7) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the seven (7) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the seven (7) day period or such longer period as applicable law may require.

17.3.1 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its affiliates when due; or

17.3.2 If Franchisee refuses to permit Franchisor to inspect the operations of the Franchised Business, books, records, or accounts of Franchisee upon demand.

17.4 Notice and Opportunity to Cure - 30 Days. Except as otherwise provided in Sections 17.1, 17.2 and 17.3 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 25 hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement may terminate without further notice to Franchisee, effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

18. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, for any reason whatsoever, including by mutual agreement between the parties, all rights granted hereunder to Franchisee shall terminate, and:

18.1 Liquidated Damages. Franchisee confirms that Franchisor will suffer substantial damages by virtue of the termination of this Agreement, including, without limitation, lost Royalty Fees, lost market penetration and goodwill in the Territory, lost opportunity costs and the expense Franchisor will incur in developing another franchise for the Territory, which damages are impractical and extremely difficult to ascertain and/or calculate accurately, and the proof of which would be burdensome and costly, although such damages are real and meaningful to Franchisor and the Babes in Business System. Accordingly, in the event that Franchisor terminates this Agreement for Franchisee's default hereunder, Franchisee agrees to pay to Franchisor in a lump sum on the effective date of termination, liquidated damages, which represents a fair and reasonable estimate of Franchisor's foreseeable losses as a result of such termination, and which are not in any way intended to be a penalty, in an amount determined as follows: by multiplying the combined monthly average of Royalty Fee, Marketing Fund Fee and Technology Fee contributions (without regard to any fee waivers or other reductions) that are owed by Franchisee to Franchisor, beginning with the date Franchisee opened the Franchised Business through the date of early termination, multiplied by the lesser of: (i) 36 months, or (ii) the number of full months remaining in the term, except that Liquidated Damages will not, under any circumstances, be less than Ten Thousand Dollars (\$10,000). Franchisee acknowledges that its obligation to pay Franchisor liquidated damages is in addition to, not in lieu of, Franchisee's obligations to pay other amounts due to Franchisor under this Agreement up to the date of termination and to strictly comply with any other post-termination obligations required hereunder. Should any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement limit Franchisee's ability to pay, and Franchisor's ability to receive, such liquidated damages, Franchisee shall be liable to Franchisor for any and all damages which it incurs, now or in the future, as a result of Franchisee's default under this Agreement.

18.2 Stop Operating. Franchisee shall immediately cease operating the Franchised Business and hosting its BIB Events, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor in connection with the promotion or operation of any other business. Franchisee shall further promptly take such steps as are necessary to allow Franchisor the ability to conduct the BIB Events previously conducted by Franchisee, including but not limited to, the release of attendee or follower data to Franchisor and the facilitation of Franchisor's use of Franchisee's Host Venue.

18.3 Stop Using the Babes in Business System. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the Babes in Business System; the Proprietary Mark "Babes in Business" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the Babes in Business System. In particular, Franchisee shall immediately cease to use all Social Media accounts, websites, signs, marketing materials, displays, stationery, forms, products, and any

other articles which display the Proprietary Marks used in connection with the Franchised Business.

18.4 Cancel Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark “Babes in Business” or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

18.5 Phone Numbers; Directory Listings; Domain Names. Franchisee shall cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Franchised Business, and shall promptly execute such documents or take such steps necessary to remove reference to the Franchised Business and the Babes In Business® brand from all trade or business online and physical directories, including “yellow” and “white” pages, or at Franchisor’s request transfer same to Franchisor. Franchisee hereby authorizes Franchisor to instruct issuers of any telephone and internet domain name and Social Media services, and other providers to transfer any such telephone numbers, domain names, websites, social media accounts, addresses, and any other identifiers to Franchisor upon termination of this Agreement, without need for any further approval from Franchisee. Without limiting the foregoing, Franchisee hereby agrees to execute any agreement required by Franchisor in order to implement this Section 18.5. Franchisee shall not use any personal/residential telephone numbers in the operation of the Franchised Business. If Franchisee does so, those numbers will be subject to the provisions of this Section 18.5.

18.6 No Use of Proprietary Marks in other Businesses. Franchisee agrees, in the event it continues to operate, or subsequently begins to operate, any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in the sole discretion of Franchisor, is likely to cause confusion, mistake, or deception, or which, in the sole discretion of Franchisor, is likely to dilute the rights of Franchisor in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description, or representation (including but not limited to reference to Franchisor, the Babes in Business System, or the Proprietary Marks) which, in the sole discretion of Franchisor, suggests or represents a present or former association or connection with Franchisor, the Babes in Business System, or the Proprietary Marks.

18.7 Pay Franchisor All Amounts Due. Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include, without limitation, all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by Franchisor as a result of the default and termination.

18.8 Return of Manuals and Confidential Information. Franchisee shall, at its own expense, immediately deliver to Franchisor the Manuals and all other records, computer disks/USB drives, correspondence, and instructions containing confidential information relating to the operation of the Franchised Business (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor.

18.9 Comply with Covenants. Franchisee and its Principals shall comply with the covenants contained in Section 19.3 of this Agreement.

19. COVENANTS

19.1 Full Time and Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is not an individual, the Designated Principal) shall devote best efforts to the management and operation of the Franchised Business.

19.2 During the Agreement Term. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Babes in Business System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person

or legal entity:

19.2.1 Divert or attempt to divert any current or prospective member, attendee, follower or vendor of any BIB Franchise or Babes School to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the Babes in Business System; or

19.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined below). A “**Competitive Business**” shall be considered (i) any business providing networking services; (ii) any business hosting networking events or meetings, and (iii) any business which is the same or substantially similar to the business carried on at the Franchised Business, namely a business which generates substantially all of its revenue from the provision services similar to those provided in a BIB Franchise under the Babes in Business System or those that are similar to the Babes School and Babes Membership programs operated by Franchisor and its affiliates. Furthermore, Franchisee acknowledges and agrees that Franchisee shall be considered in default under this Agreement and that this Agreement will be subject to termination as provided in Section 17.2.8 herein, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Franchisee (or, if Franchisee is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 19.2.2 if such person was subject to the covenants of this Section 19.2.2.

19.3 After the Agreement and After a Transfer. Franchisee covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of three (3) years commencing upon the date of: (a) a transfer permitted under Section 16 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 19.3; or (e) any or all of the foregoing:

19.3.1 Franchisee shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located (i) in the Territory, (ii) within a radius of fifty (50) miles of the Territory, or (iii) within a radius of fifty (50) miles of any other BIB Franchise located anywhere; provided, however, that this provision shall not apply to the operation by Franchisee of any business under the Babes in Business System under a franchise agreement with Franchisor;

19.4 Exception for Ownership in Public Entities. Sections 19.2.2 and 19.3 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

19.5 Personal Covenants. At Franchisor’s option, Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 19 (including covenants applicable upon the termination of a person’s relationship with Franchisee) and the provisions of Sections 9, 10???,11 and 12 of this Agreement (as modified to apply to an individual) from all personnel employed by Franchisee who have received or will receive training and/or other confidential information.

Every covenant required by this Section 19.5 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them, the current forms of which shall be contained in the Manuals.

19.6 Covenants as Independent Clauses. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 19 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 19.

19.7 Franchisor's Right to Reduce Scope of the Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 19, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 25 hereof.

19.8 Covenants Survive Claims. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 19; provided, however, any claims Franchisee may have against Franchisor may be brought in a separate proceeding. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 19.

19.9 Injunctive Relief. Franchisee acknowledges that the foregoing restrictions are reasonable, are not vague or indefinite, and are designed to protect the legitimate business interests of Franchisor and the Babes in Business System, and that in the event of a breach of covenants contained in this Section 19, the damage to Franchisor would be difficult to ascertain and, in addition to other rights and remedies, Franchisor shall be entitled to seek injunctive and/or other equitable relief against the violation of any said covenants, together with reasonable attorneys' fees and costs.

20. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

20.1 List of Principals. If Franchisee is a corporation, limited liability company, or partnership, each Principal of Franchisee, and the ownership interest of each Principal in Franchisee, shall be identified in Exhibit B hereto. Franchisee shall maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Exhibit B upon any change, which shall be made only in compliance with Section 16 above. As set forth in Section 5, the Designated Principal shall at all times have an equity interest in Franchisee.

20.2 Noncompetition; Guaranty, Indemnification, and Acknowledgment. Each Principal shall execute a nondisclosure and noncompetition agreement and guaranty, indemnification, and acknowledgment of Franchisee's covenants and obligations under this Agreement in the form attached hereto as Exhibits C and D.

20.3 Corporations and Limited Liability Companies. If Franchisee or any successor to or assignee of Franchisee is a corporation or a limited liability company, Franchisee shall comply with the following requirements:

20.3.1 Franchisee shall be newly organized, and its governing documents shall at all times provide that its activities are confined exclusively to operating the Franchised Business.

20.3.2 Franchisee shall, upon request of Franchisor, promptly furnish to Franchisor copies of Franchisee's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

20.3.3 Franchisee shall maintain stop-transfer instructions on its records against the transfer of any equity securities of Franchisee; and each stock certificate or issued securities of Franchisee shall conspicuously include upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 20.3.3 shall not apply to a publicly held corporation.

20.4 Partnerships and Limited Liability Partnerships. If Franchisee or any successor to or assignee of Franchisee is a partnership or limited liability partnership, Franchisee shall comply with the following requirements:

20.4.1 Franchisee shall be newly organized, and its partnership agreement shall at all times provide that its activities are confined exclusively to operating the Franchised Business.

20.4.2 Franchisee shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

20.4.3 The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

21. TAXES, PERMITS, AND INDEBTEDNESS

21.1 **Taxes.** Franchisee shall promptly pay when due all taxes levied or assessed, including unemployment, personal property and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax or assessment (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

21.2 **Dispute About Taxes.** In the event of any *bona fide* dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against any assets of the Franchised Business.

21.3 **Compliance with Laws.** Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including licenses to do business, fictitious name registrations and sales tax permits.

22. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

22.1 **No Fiduciary Relationship.** Franchisee is an independent contractor. Franchisor and Franchisee are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense and neither shall have the power to bind the other. No act or assistance given by either party to the other pursuant to this Agreement shall be construed to alter the relationship. Franchisee shall be solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for Franchisee's policies, practices, and decisions relating to the operation of the Franchised Business.

22.2 **Public Notice.** During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including exhibiting a notice of that fact in a conspicuous place, the content of which Franchisor reserves the right to specify, including language identifying Franchisee as an independent business in all dealings with attendees, followers, employees, vendors, suppliers and others.

22.3 **No Assumption of Liability.** Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on the behalf of Franchisor, or to incur any debt or other obligation in the name of Franchisor; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor.

22.4 **Indemnification.**

22.4.1 Franchisee must defend, indemnify, and hold harmless Franchisor and its affiliates, and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the "**Indemnified Parties**"), from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain, or incur as a result of a claim asserted or threatened or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of the Franchised Business's operation, Franchisee's conduct of business under this Agreement, Franchisee's breach of this Agreement, or Franchisee's noncompliance or alleged noncompliance with any law, ordinance, rule, or regulation, including any allegation that Franchisor or another Indemnified Party is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to Franchisee's employees. Franchisor will promptly notify Franchisee of any claim that may give rise to a claim of indemnity under this provision, provided,

however, that its failure to provide such notice will not release Franchisee from its indemnification obligations under this Section except to the extent Franchisee is actually and materially prejudiced by such failure.

22.4.2 Franchisee has the right, upon written notice delivered to the Indemnified Party within 15 days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of such counsel's fees and disbursements. If (a) the Indemnified Party has been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to Franchisee and, in the Indemnified Party's reasonable opinion, Franchisee's counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with Franchisee's interests, or (b) Franchisee does not assume responsibility for such Losses in a timely manner or fails to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and Franchisee must pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or Franchisee, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party's own expense. Franchisee or the Indemnified Party (as the case may be) agrees to keep the other reasonably apprised of, and respond to any reasonable requests concerning, the status of the defense of any claim, and Franchisee and the Indemnified Party agree to cooperate in good faith with each other with respect to the defense of any such claim. Franchisee may not, without the Indemnified Party's prior written consent, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by Franchisee. No claim which is being defended in good faith by Franchisee in accordance with this Section may be settled by the Indemnified Party without Franchisee's prior written consent. Notwithstanding anything to the contrary in this Section, if a claim involves the Proprietary Marks, Franchisee agrees that Franchisor has the exclusive right to assume the defense of such claim, at Franchisee's expense with counsel selected by Franchisor, but reasonably satisfactory to Franchisee.

22.4.3 Franchisee has no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or Franchisor's failure to compel Franchisee to comply with this Agreement.

22.4.4 For purposes of this Section, "Losses" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

22.4.5 Franchisee's obligations in this Section will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against Franchisee under this Section. Franchisee agrees that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Section.

23. APPROVALS AND WAIVERS

23.1 Approval Requests. Whenever this Agreement requires the prior authorization, approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

23.2 Non-waiver. No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms

hereof. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

24. WARRANTIES OF OPERATOR

24.1 Reliance by Franchisor. Franchisor entered into this Agreement in reliance upon the statements and information submitted to Franchisor by Franchisee in connection with this Agreement. Franchisee represents and warrants that all such statements and information submitted by Franchisee in connection with this Agreement are true, correct and complete in all material respects. Franchisee agrees to promptly advise Franchisor of any material changes in the information or statements submitted.

24.2 Compliance with Laws. Franchisee represents and warrants to Franchisor that neither Franchisee (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

25. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

26. ENTIRE AGREEMENT

Franchisor and Franchisee, and any Principal, each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement. Recognizing the costs on both Franchisor and Franchisee which are uncertain, Franchisor and Franchisee each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings which have been or may in the future be, exchanged between them, serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Franchisee agree and promise each other that this Agreement supersedes and cancels any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such term) with respect to the rights and obligations of Franchisor and Franchisee or the relationship between them. Franchisor and Franchisee agree and promise each other that they have placed, and will place, no reliance on any such discussions or writings. In accordance with the foregoing, it is understood and acknowledged that this Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding anything to the contrary contained herein, and only to the extent that Franchisee and/or the Franchised Business is located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin, then, no statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of

(i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

27. SEVERABILITY AND CONSTRUCTION

27.1 **Severable Parts.** Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

27.2 **Terms Surviving this Agreement.** Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause), shall survive such expiration, termination or assignment.

27.3 **No Rights on Third Parties.** Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and such successors and assigns of Franchisor as may be contemplated by Section 16 hereof, any rights or remedies under or by reason of this Agreement.

27.4 **Full Scope of Terms.** Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an un-appealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

27.5 **Franchisor's Application of its Rights.** Franchisor shall have the right to operate, develop and change the Babes in Business System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right and/or discretion to take or withhold an action, or is deemed to have a right and/or discretion to take or withhold an action, or a right to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and in its judgment of what is in Franchisor's best interests and/or in the best interests of Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interests; (iii) Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned operations; or (iv) Franchisor's decision or the exercise of its right or discretion is averse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor rights or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such 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 Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

28. APPLICABLE LAW AND DISPUTE RESOLUTION

28.1 **Governing Law & Venue.**

28.1.1 **Governing Law.** This Agreement shall take effect upon its acceptance and execution by Franchisor. Except to the extent governed by the United States Arbitration Act (9 U.S.C. §§ 1, et. seq.) and the United

States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050 et seq.), this Agreement, the franchise and all claims arising from or in any way related to the relationship between Franchisor, and/or any of its affiliates, officers, directors, shareholders, members, guarantors, employees, representatives, independent contractors or owners (each, a “Franchisor Related Party”), on one hand, and you and/or any of your owners, affiliates, officers, directors, shareholders, Guarantors, employees, owners or members (each, a “Franchisee Related Party”), on the other hand, shall be interpreted and construed under the laws of the State of New Jersey, which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a Franchisor and its franchisee shall not apply unless jurisdictional requirements are met independently without reference to this paragraph.

28.1.2 Venue. In the event the arbitration clause set forth in Section 28.3 is inapplicable or unenforceable, and subject to Franchisor’s right to obtain injunctive relief in any court of competent jurisdiction, the parties hereby expressly agree that the United States District Court for District of New Jersey, or if such court lacks subject matter jurisdiction, the State Superior Court in Monmouth County, New Jersey, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they shall not contest or challenge the jurisdiction or venue of these courts. You acknowledge that this Agreement has been entered into in the State of New Jersey and that you are to receive valuable and continuing services emanating from Franchisor’s headquarters in Monmouth County, New Jersey. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

28.2 Mediation. The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action by Franchisor under Section 28.4 below, before beginning any legal action or arbitration, the parties agree to mediate any dispute, controversy or claim between you and/or any Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) any loan or other finance arrangement between Franchisor and Franchisor’s affiliates and you; (c) the parties’ relationship; (d) events occurring prior to the entry into this Agreement; (e) the Business; or (f) any of the System’s Standards and Specifications, in accordance with the procedures set forth in this Section 28.2, inclusive of all subparts. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. The Mediation shall be conducted in accordance with the following provisions:

28.2.1 Initiation Procedure. The party seeking mediation (the “Initiating Party”) shall commence mediation by sending the other party/parties a written notice of its request for mediation (the “Dispute Notice”). The Dispute Notice shall specify, to the fullest extent possible, the nature of the dispute, the Initiating Party’s version of the facts surrounding the dispute, the amount of damages, and the nature of any injunctive or other relief such party claims, and shall identify one or more persons with authority to settle the dispute for the Initiating Party. The party (or parties as the case may be) receiving a Dispute Notice (the “Responding Party”) shall issue a written response (the “Response”) to the Initiating Party within ten (10) days after receipt of the Dispute Notice identifying one or more persons with authority to settle the dispute on the Responding Party’s behalf (the “Authorized Persons”).

28.2.2 Direct Negotiations. Upon receipt of a Dispute Notice and the issuance of the Response, the parties shall endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice and the Response. If the parties have been unable to resolve any such dispute(s) outlined in a Dispute Notice or a response thereto within twenty (20) days after the Initiating Party’s receipt of the Response, either party may initiate a mediation procedure in accordance with the American Arbitration Association (“AAA”), pursuant to its Commercial Mediation Procedures, and unless otherwise agreed by the parties shall take place in Monmouth County, New Jersey, or the city of Franchisor’s then-current corporate headquarters, as Franchisor designates.

28.2.3 Selection of the Mediator. The Authorized Persons shall have seven (7) days from the date on which one party gives notice that he, she, or it is beginning mediation within which to submit to one another written lists

of acceptable mediators who are not associated with either of the parties. Within seven (7) days from the date of receipt of any list, the Authorized Persons shall rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these shall be designated the mediator. If this process does not result in selection of a mediator, the parties agree jointly to request that AAA supply a list of qualified potential mediators. Within seven (7) days after receipt of the list, the parties shall again rank the proposed mediators in numerical order of preference and shall simultaneously exchange their lists. The mediator having the highest combined ranking shall be appointed as mediator. If the highest-ranking mediator is not available to serve, the parties shall go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

28.2.4 Time and Place for Mediation. In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for the mediation. Unless the circumstances make it impossible, the time may not be later than thirty (30) days after the selection of the mediator.

28.2.5 Exchange of Information. If either party to this Agreement believes that he, she, or it needs information in the possession of another party to this Agreement to prepare for the mediation, all parties shall attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator if required.

28.2.6 Summary of Views. At least seven (7) days before the first scheduled mediation session, each party shall deliver to the mediator and to the other party a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

28.2.7 Representatives. In the mediation, each party shall be represented by an Authorized Person and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her, or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

28.2.8 Conduct of Mediation. The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it shall be useful after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions shall be strictly private. The mediator shall keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

28.2.9 Termination of Procedure. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

28.2.10 Fees of Mediator; Disqualification. The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved.

28.2.11 Confidentiality. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable

or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

28.3 Arbitration. Except as provided in Section 28.4, and if not resolved by the negotiation and mediation procedures described under Section 28.2 above, any dispute, controversy or claim between you and/or a Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the relationship of the parties; (c) the events leading up to the entry into this Agreement; (d) any loan or other finance arrangement between Franchisor or Franchisor's affiliates and you; (e) the parties' relationship; (f) the Franchised Business; (g) any of the System's Standards and Specifications; (h) any claim based in tort or any theory of negligence; or (i) the scope of validity of the arbitration obligation under this Section 28.3, shall be determined in New Jersey by the AAA. The arbitration shall be administered by one arbitrator of the AAA pursuant to its Commercial Arbitration Rules then in effect. The arbitrator shall be an attorney with substantial experience in franchise law. If proper notice of any hearing has been given, the arbitrator shall have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear. The arbitration shall be conducted in accordance with the following provisions:

28.3.1 In connection with any arbitration proceeding, each party shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be forever barred.

28.3.2 Any arbitration shall be on an individual basis and the parties and the arbitrator shall have no authority or power to proceed with any claim as a class action, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of, or class action certification of, claims is unenforceable, then the agreement to arbitrate the dispute shall be null and void and the parties shall submit all claims to the jurisdiction of the courts, in accordance with Section 28.1. The arbitration shall take place in Monmouth County, New Jersey or at Franchisor's then-current office location, or in such other location if Franchisor so designates.

28.3.3 The arbitrator shall follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Franchisor. The arbitrator may not under any circumstance: (a) stay the effectiveness of any pending termination of this Agreement; (b) assess punitive or exemplary damages; (c) certify a class or a consolidated action; or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we have set. The arbitrator shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which the main office of Franchisor is located. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section 28.3 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

28.3.4 The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

28.3.5 The arbitrator shall have subpoena powers limited only by the laws of the State of New Jersey.

28.3.6 The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of New Jersey.

28.3.7 All other procedural matters shall be determined by applying the statutory, common laws, and

rules of procedure that control a court of competent jurisdiction in the State of New Jersey.

28.3.8 Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

28.3.9 The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

28.3.10 Franchisor reserves the right, but has no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Franchisor's right to seek recovery of those costs against you.

28.4 Exceptions to Arbitration and Mediation.

28.4.1 Notwithstanding the provisions of Sections 28.2 and 28.3, Franchisor shall be entitled, without bond, to the entry of temporary, preliminary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) your and/or any Franchisee Related Party's use of the Marks; (b) the covenants under **Error! Reference source not found.**, including your covenants not to compete and confidentiality covenants; (c) your obligations upon termination or expiration of the franchise; and/or (d) the transfer or assignment by you of the Franchised Business. If Franchisor secures any such injunction or order of specific performance, you agree to pay to Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses and any damages incurred by Franchisor as a result of the breach of any such provision.

28.4.2 Further, at the election of Franchisor, or its affiliate, the mediation and arbitration provisions Sections 28.2 and 28.3, inclusive of all subparts, shall not apply to: (a) any claim by Franchisor relating to your failure to pay any fee due to Franchisor under this Agreement; (b) any claim by Franchisor relating to your failure to comply with the covenants set forth in **Error! Reference source not found.**; and/or (c) any claim by Franchisor or its affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

28.5 Survival. The provisions of **Error! Reference source not found.** are intended to benefit and bind certain third-party non-signatories and shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

28.6 Franchisee May Not Withhold Payment Due Franchisor. You agree that you shall not, on grounds of the alleged non-performance by Franchisor of any of its obligations hereunder, or on any other grounds, withhold payment of any Royalty Fees, Marketing Fees or any other fees due to Franchisor from you under this Agreement.

28.7 Waiver of Rights. EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE AS FOLLOWS:

28.7.1 Jury Trial. **Each of the parties hereto EXPRESSLY WAIVES THE RIGHT ANY PARTY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 28.3 is unenforceable. Each party acknowledges that he, she or it has**

had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

28.7.2 Damage Waiver. Each of the parties hereto EXPRESSLY WAIVES ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES, *except that* this waiver and limitation shall not apply with respect to: (1) your obligation to indemnify Franchisor pursuant to any provision of this Agreement; and (2) any claims Franchisor brings against you and/or your Guarantors and/or owners for: unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of your covenants under **Error! Reference source not found.**, including your in-term and post-term non-competition covenants, and/or any cause of action under the Lanham Act. Notwithstanding the foregoing, Franchisor shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

28.7.3 Each of the parties hereto EXPRESSLY AGREES THAT IN THE EVENT OF ANY FINAL DETERMINATION, ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, except that Franchisor may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

28.8 Limitation of Action.

28.8.1 Except for claims arising from your non-payment or underpayment of amounts you owe to Franchisor, or claims related to your unauthorized use of the Marks, any and all claims arising out of or related to this Agreement or the relationship of the parties shall be barred unless a judicial or arbitration proceeding, as required under this Agreement, is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff.

28.8.2 You hereby acknowledge and agree that you may not maintain any action against Franchisor or any Franchisor Related Party unless: (a) you deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to you; (b) you strictly adhere to the negotiation and mediation procedures described in **Error! Reference source not found.**; and (c) you file an arbitration within one (1) year after the notice is delivered.

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

28.10 Injunctive Relief. You recognize that you are a member of a franchise system and that your acts and omissions may have a positive or negative effect on the success of other businesses operating under the Marks and in association with the System. You acknowledge that failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Franchisor and to some or all of the other franchisees of Franchisor. For this reason, you agree that if Franchisor can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of your breach or threatened breach of any of the terms of this Agreement, Franchisor shall be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage. Without limiting the generality of the foregoing, nothing herein contained shall bar Franchisor's right to obtain injunctive relief, without posting bond or security, against conduct or threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders, preliminary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement. Additionally, and without limiting the generality of the foregoing, Franchisor shall have the right to seek injunctive relief to prohibit any act or omission by you or your employees that constitute a violation of any applicable law, is dishonest or misleading to the public, or which may impair the goodwill associated with the Marks, Trade Dress or the System.

28.11 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you

and/or any Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, shall be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class-wide, associational or collective basis.

28.12 Post-Term Applicability. The provisions of **Error! Reference source not found.** shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected.

28.13 Costs and Attorneys' Fee. Franchisor shall be entitled to recover from you all of Franchisor's costs and expenses, including attorneys' fees, accounting fees, expert witness fees, and any other reasonably incurred fees, if Franchisor is the prevailing party in any action, including arbitration, litigation, any motion to compel arbitration, and/or any action on appeal, with you and/or any of your owners or Guarantors, including, without limitation, any action: (a) to enforce the terms of this Agreement; (b) for violation of this Agreement; or (c) for violation of the Lanham Act or other state or federal statutes. Without limiting the generality of the foregoing, if Franchisor incurs costs and expenses due to Franchisee's failure to pay when due amounts owed to Franchisor or its affiliates, to submit when due any reports, information, or supporting records, or otherwise comply with this Agreement, Franchisee agrees, whether or not Franchisor initiates a formal arbitration or legal proceeding, to reimburse Franchisor for all of the costs and expenses that Franchisor incurs including, without limitation, reasonable accounting, attorneys' and related fees and costs.

29. ACKNOWLEDGMENTS

29.1 FRANCHISEE'S INVESTIGATION OF THE BUSINESS POSSIBILITIES. FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS OF OPERATING A BABES IN BUSINESS FRANCHISE, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE (OR, IF FRANCHISEE IS A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, THE ABILITY OF ITS PRINCIPALS) AS (AN) INDEPENDENT BUSINESS PERSON(S). FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACT (WHETHER ORAL OR WRITTEN) ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. FRANCHISEE FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON ANY REPRESENTATIONS ABOUT THE FRANCHISE BY THE FRANCHISOR, OR ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT OR TO THE TERMS AND CONDITIONS CONTAINED HEREIN, AND FURTHER REPRESENTS TO THE FRANCHISOR, AS AN INDUCEMENT TO ENTRY INTO THIS AGREEMENT, THAT FRANCHISEE HAS MADE NO MISREPRESENTATIONS IN OBTAINING THE FRANCHISE.

29.2 Receipt of FDD and Complete Agreement. Franchisee acknowledges that it received a complete copy of this Agreement, the attachments hereto, and agreements relating thereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising", otherwise known as the Franchise Disclosure Document (**FDD**), at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by Franchisee for the franchise rights granted under this Agreement. Franchisee further acknowledges that prior to receiving Franchisor's FDD, Franchisor advised Franchisee of the formats in which the FDD is made available, and any conditions necessary for reviewing the FDD in a particular format.

29.3 Franchisee Read the Agreement and Consulted. Franchisee acknowledges that it has read and understood

Franchisor's FDD and this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

29.4 Franchisee's Responsibility for Operation of Business. Although Franchisor retains the right to establish and periodically modify Babes in Business System standards, which Franchisee has agreed to maintain in the operation of the Franchised Business, Franchisee retains the right and sole responsibility for the day-to-day management and operation of the Franchised Business and the implementation and maintenance of Babes in Business System standards at the Franchised Business. Franchisee acknowledges that it is solely responsible for all aspects of the Franchised Business's operations, including employee and human resources matters. Franchisee further acknowledges that any controls implemented by Franchisor are for the protection of the Babes in Business System and the Proprietary Marks and not for the exercise of any control over the day-to-day operation of the Franchised Business.

29.5 Sole and Exclusive Employer. Franchisee hereby irrevocably acknowledges, affirms, attests and covenants that Franchisee's employees are employed exclusively by Franchisee and in no fashion are any such employees employed, jointly employed or co-employed by Franchisor. Franchisee further acknowledges, affirms and attests that each of Franchisee's employees is under Franchisee's exclusive dominion and control and never under Franchisor's direct or indirect control in any fashion whatsoever. Franchisee alone hires each of Franchisee's employees; sets their schedules; establishes their compensation rates; and pays all salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate Franchisee's employees to the exclusion of Franchisor, and Franchisee acknowledges that Franchisor has no such authority or ability. Franchisee further acknowledges, attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that the Franchised Business is at all times staffed at those levels necessary to operate the Franchised Business in conformity with the Babes in Business System and other BIB Franchise brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee acknowledges, affirms, warrants and understands that Franchisee may staff the Franchised Business with as many employees as Franchisee desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also acknowledges, affirms and attests that any recommendations Franchisee may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, and that Franchisee is entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee acknowledges, affirms and attests that any training provided by Franchisor to Franchisee's employees is for the purpose of imparting critical Babes in Business System and brand information to those employees, and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending such allegations, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, should any such appearance by Franchisee be required or requested, Franchisor will recompense Franchisee the reasonable costs associated with Franchisee appearing at any such venue.

29.6 No Conflicting Obligations. Each party represents and warrants to the other that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

29.7 Different Franchise Offerings to Others. Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers, and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

29.8 No Right of First Refusal or First Offer Granted Franchisee. Franchisee acknowledges and agrees that this Agreement does not confer on Franchisee, nor shall it be interpreted to confer upon Franchisee, any right of first refusal or first offer with respect to the purchase or acquisition of any additional franchises within the BIB System regardless of proximity to Franchisee's Territory.

29.9 Good Faith. Franchisor and Franchisee acknowledge that each provision in this Agreement has been negotiated by the parties hereto in good faith and the Agreement shall be deemed to have been drafted by both parties. It is further acknowledged that both parties intend to enforce every provision of this Agreement, including, without limitation, the provisions related to arbitration and choice of venue, regardless of any state law or regulation purporting to void or nullify any such provision.

29.10 Success Depends on Franchisee. Franchisee acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon Franchisee's ability as an independent businessperson, its active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

29.11 Patriot Act. Franchisee represents and warrants that to its actual knowledge: (i) neither Franchisee, nor its officers, directors, managers, members, partners or other individual who manages the affairs of Franchisee, nor any Franchisee affiliate or related party, or any funding source for the Franchised Business, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither Franchisee nor any Franchisee affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither Franchisee nor any Franchisee affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither Franchisee nor any Franchisee affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Department of State's Debarred List, as such lists may be amended from time to time (collectively, the "Lists"); (v) neither Franchisee nor any Franchisee affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Franchisee nor any Franchisee affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

29.12 No Guarantees. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

29.14 Signature. This Franchise Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Franchise Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Franchise Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Franchise Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Franchise Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

[SIGNATURE PAGE FOLLOWS]

**BABES FRANCHISING LLC
FRANCHISE AGREEMENT
SIGNATURE PAGE**

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

**FRANCHISOR:
BABES FRANCHISING LLC**

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address for Notices:

Jennifer Chavez
Babes Franchising LLC
400 Hazel Street, Neptune, NJ 07753
Telephone: 732-890-0977

Address for Notices:

Telephone: _____
Fax: _____
Attn: _____

With copy to:

Marks & Klein, LLC
Attn: Justin Klein
331 Newman Springs Rd., Bldg. 1, 4th Floor, Suite 143
Red Bank NJ 07701

**BABES FRANCHISING LLC
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET**

1. Territory: The Territory shall be (subject to the terms of the Agreement, including, but not limited to, Section 1.3 and 1.7 of the Franchise Agreement) as follows:

2. Franchise Fee: The Franchisee Fee, in accordance with Section 4.1 of the Franchise Agreement, is:

_____.

FRANCHISOR:
BABES FRANCHISING LLC

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**BABES FRANCHISING LLC
FRANCHISE AGREEMENT
EXHIBIT B
LIST OF PRINCIPALS AND DESIGNATED PRINCIPAL**

FRANCHISEE'S PRINCIPALS

The following identifies all of Franchisee's Principals (as defined in Section 6.2 of the Franchise Agreement), including each Principals address and percentage of beneficial interest in Franchisee:

Name of Principal	Address, Telephone, E-mail	Interest (%) with Description
		Total %:

FRANCHISEE'S DESIGNATED PRINCIPAL

The following identifies Franchisee's Designated Principal (as defined in Section 5 of the Franchise Agreement), including his/her contact information and percentage of beneficial interest in Franchisee:

Name of Designated Principal	Address, Telephone, E-mail	Interest (%) with Description

FRANCHISOR:
BABES FRANCHISING LLC

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**BABES FRANCHISING LLC
FRANCHISE AGREEMENT
EXHIBIT C
NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

In return for 1) his or her training by Babes Franchising, LLC (“Babes Franchising”) to operate a professional networking franchise under the mark “Babes In Business™” (the “Franchised Business”), 2) the grant of a franchise by Babes Franchising to a company in which he or she has an ownership interest, or 3) his or her employment by Babes Franchising or one of its franchisees, _____ (“Confidant”) agrees as follows:

1. Nondisclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of Babes Franchising to any other person or entity unless authorized in writing by Babes Franchising. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant’s work product. If Confidant has assisted in the preparation of any information that Babes Franchising considers to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to Babes Franchising, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, the terms “Trade Secrets” and “Confidential Information” mean any and all knowledge, techniques, processes or information made known or available to Confidant that Babes Franchising treats as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, customer accounts, customer, follower and member contact lists, manuals and instructional materials describing Babes Franchising’s methods of operation, including Babes Franchising’s Operations Manual; products; drawings, designs, plans, proposals, and marketing plans and methodologies; all concepts or ideas in, or reasonably related to Babes Franchising’s business that have not previously been publicly released by Babes Franchising; and any other information or property of any kind of Babes Franchising that may be protected by law as a Trade Secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Babes Franchising.

3. Return of Proprietary Material

Upon termination of franchise ownership or employment by Babes Franchising or a Babes Franchising franchisee, Confidant shall surrender to Babes Franchising all materials considered proprietary by Babes Franchising, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or conduct of the operations of Babes Franchising. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Babes Franchising.

4. Solicitation of Employees

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of Babes Franchising, or the competitor’s franchisees, or the competitor’s subsidiaries, the name of any person who is employed by Babes Franchising or by any franchisee of Babes Franchising.

5. Noncompetition

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential

Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to Babes Franchising, Confidant will not, until the expiration of three (3) years after the termination of the employment relationship between Confidant and Babes Franchising or the Babes Franchising franchisee that employs him or her, or termination of the ownership interest of Confidant in Babes In Business franchise, (1) engage, directly or indirectly, or through any corporations or Related Parties, in any business, enterprise or employment that is directly competitive with Babes in Business® franchise system (including a Babes School or Babes membership) and is located (a) anywhere within the Franchised Business's territory, (b) within a radius of fifty (50) mile radius of the Franchised Business's territory, or (c) within a radius of fifty (50) miles from any other Babes in Business® franchised or corporate/affiliate operated business then in existence or under construction or (2) perform any act prejudicial or injurious to the goodwill associated with Babes in Business™ brand or other marks.

6. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in this agreement are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Babes Franchising. However, Confidant and Babes Franchising are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and Babes Franchising agree that if a court or arbitrator declines to enforce the provisions of the preceding paragraph, that paragraph shall be considered modified to restrict Confidant's competition with Babes Franchising to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

7. Irreparable Harm to Babes Franchising

Confidant understands and agrees that Babes Franchising will suffer irreparable injury that cannot be precisely measured in monetary damages to its Trade Secrets if Confidential Information or proprietary information is obtained by any person, firm or corporation or is used in competition with Babes Franchising. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Babes Franchising for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

8. Binding Effect

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed by these persons.

9. Applicable Law

The laws of the state where Confidant lives will govern the validity of this Agreement. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

10. Execution

This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability

of either party's e-Signature.

CONFIDANT

[Name of Confidant]

By: _____
[Confidant's signature]

CONFIDANT

[Name of Confidant]

By: _____
[Confidant's signature]

CONFIDANT

[Name of Confidant]

By: _____
[Confidant's signature]

CONFIDANT

[Name of Confidant]

By: _____
[Confidant's signature]

**BABES FRANCHISING LLC
FRANCHISE AGREEMENT
EXHIBIT D
GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT**

As an inducement to Babes Franchising LLC (“**Franchisor**”) to enter into the Franchise Agreement between Franchisor and (“**Franchisee**”), dated _____, 20__ (the “**Agreement**”), the undersigned hereby unconditionally guarantees to Franchisor and Franchisor’s successors and assigns that all of Franchisee’s covenants and obligations, including, without limitation, monetary obligations, under the Agreement will be punctually paid and performed. This Guaranty, Indemnification, and Acknowledgment (this “**Guaranty**”) is an unconditional, irrevocable and absolute guaranty of payment and performance and may not be cancelled, terminated, modified, or amended except by written agreement executed by both parties.

Upon demand by Franchisor, the undersigned hereby agrees to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned hereby waives notice of same and agrees to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney’s fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledges and expressly agrees to be personally bound by all of the covenants contained in the Agreement, including, without limitation, those covenants contained in Sections 10, 12, 16, 18, and 19. Signature by the undersigned on this Guaranty constitutes the undersigned’s signature on the Agreement related to all covenants. The undersigned asserts that he or she has read such covenants, been advised by counsel regarding their effect, and hereby affirmatively agree to them in order to secure the rights granted to Franchisee by Franchisor under the Agreement. The undersigned further acknowledges and agrees that this Guaranty does not grant the undersigned any right to use the “Babes in Business” marks or system licensed to Franchisee under the Agreement.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors, if any, will continue in full force and effect.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

The undersigned represents and warrants to Franchisor that neither the undersigned (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

Any and all notices required or permitted under this Guaranty shall be in writing and shall be personally delivered, in the manner provided under the Agreement.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with the Agreement. This Guaranty shall be governed by the dispute resolution provisions of the Agreement, and shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail (without regard to, and without giving effect to, the application of New Jersey conflict of law rules).

This Guaranty may be executed in duplicate, and each copy so executed shall be deemed an original. This Guaranty may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Guaranty transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Guaranty. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Guaranty shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has executed this Guaranty, Indemnification and Acknowledgement as of the date of the Agreement.

GUARANTOR(S):

Print Name:

**BABES FRANCHISING LLC
FRANCHISE AGREEMENT
EXHIBIT F**

STATE ADDENDA TO THE FRANCHISE AGREEMENT

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from

the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

5.

6. 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.

EXHIBIT D
LIST OF CURRENT FRANCHISEES

FRANCHISEES OPERATING AS OF DECEMBER 31, 2024:

Business State	Name	Address	Phone
Massachusetts	Valentina Marianetti	1 Oakridge Drive, Cranston, RI 02921	401-457-5873
Missouri	Steph Gold	19 Stacy Drive, Saint Louis, MO 63132	314-398-5912
North Carolina	Diane Ferrara	1817 Sir Tyler Dr Apt 201, Wilmington, NC 28405	908-577-1350

FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT
AS OF DECEMBER 31, 2024, BUT ARE NOT YET OPEN:

Business State	Name	Address	Phone
n/a			

EXHIBIT E
LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, 2024:

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

As of the issuance date of this FDD, we do not have any former franchisees to disclose.

EXHIBIT F
FINANCIAL STATEMENTS

**BABES FRANCHISING, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

BABES FRANCHISING, LLC
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MUHAMMAD ZUBAIRY, CPA PC
Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Members of
Babes Franchising, LLC

Opinion

We have audited the financial statements of Babes Franchising, LLC which comprises the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Babes Franchising, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Babes Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Babes Franchising, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Babes Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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



Muhammad Zubairy, CPA
Westbury, NY
April 24, 2025

BABES FRANCHISING, LLC
BALANCE SHEETS

	<u>ASSETS</u>	
	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash	\$ —	\$ 1
Accounts Receivable	—	5,092
Total Assets	\$ —	\$ 5,093

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Current Assets		
Bank overdraft	\$ 10	\$ —
Accounts Payable and Accrued Expenses	4,109	4,435
Contract Liability current	2,000	2,000
Total Current Assets	6,119	6,435
Contract Liability net of current	14,167	16,167
Members' Equity (Deficit)	(20,286)	(17,509)
Total Liabilities and Members' Equity (Deficit)	\$ —	\$ 5,093

See notes to financial statements

BABES FRANCHISING, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY

	YEARS ENDED DECEMBER 31,	
	2024	2023
Revenue		
Franchise fees	\$ 2,000	\$ 1,333
Royalty Income, net	30,276	26,040
Total Revenue	32,276	27,373
Operating Expenses	16,355	23,415
Net Income (loss)	15,921	3,958
Members' Equity (Deficit) - Beginning	(17,509)	878
Members' Contributions (Distributions)	(18,698)	(22,345)
Members' Equity (Deficit) - Ending	\$ (20,286)	\$ (17,509)

See notes to financial statements

BABES FRANCHISING, LLC
STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,	
	2024	2023
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 15,921	\$ 3,958
Adjustments to reconcile net (loss) to cash provided by operating activities:		
Changes in assets and liabilities		
Accounts Receivable	5,092	5,355
Credit Card	(326)	2,033
Contract Liability	(2,000)	8,667
	<u>18,687</u>	<u>20,013</u>
Cash Flows from Financing Activities:		
Members' Contributions (Distributions)	<u>(18,698)</u>	<u>(22,345)</u>
Net Increase (Decrease) in Cash	(11)	(2,332)
Cash - Beginning of Year	<u>1</u>	<u>2,333</u>
Cash (Overdraft) - End of Year	<u><u>\$ (10)</u></u>	<u><u>\$ 1</u></u>

See notes to financial statements

BABES FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Babes Franchising, LLC (“the Company”) is New Jersey limited liability company that was formed in July 2021 to offer franchisees the opportunity host and facilitate group networking and development events within their territory, which provide professional networking and development services for a predominantly female community using the Babes Franchising, LLC brand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The company's franchise agreements generally include a license which provides for payments of initial fees as well as continuing royalties to the company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a Comic Book Pizza restaurant for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company’s cash accounts did not exceed the Federal Deposit Insurance Company’s (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

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

Income Taxes-The Company's entity was organized as a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its members’. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board (“FASB”) and Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. CONTRACT LIABILITY

In compliance with the Financial Accounting Standards Board (“FASB”) new accounting standards for revenue recognition (“Topic 606”), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2024 and 2023, were \$16,167 and \$18,167, respectively.

5. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated through April 24, 2025, at which the financial statements were available to be issued.

**BABES FRANCHISING, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

BABES FRANCHISING, LLC
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Statements of Operations and Members' Equity	Page 4
Statements of Cash Flows	Page 5
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MUHAMMAD ZUBAIRY, CPA
Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Members of
Babes Franchising, LLC

Opinion

We have audited the financial statements of Babes Franchising, LLC which comprises the balance sheets as of December 31, 2023, and the related statements of operations, and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Babes Franchising, LLC as of December 31, 2023, and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Babes Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Babes Franchising, LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Babes Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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



Muhammad Zubairy, CPA
Westbury, NY
March 15, 2024

BABES FRANCHISING, LLC
BALANCE SHEETS

	<u>ASSETS</u>	
	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2023</u>	<u>2022</u>
Cash	\$ 1	\$ 2,333
Accounts Receivable	5,092	10,447
Total Assets	\$ 5,093	\$ 12,780

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Current Assets		
Accounts Payable and Accrued Expenses	\$ 4,435	\$ 2,402
Contract Liability current	2,000	1,000
Total Current Assets	6,435	3,402
 Contract Liability net of current	 16,167	 8,500
 Members' Equity (Deficit)	 (17,509)	 878
 Total Liabilities and Members' Equity (Deficit)	 \$ 5,093	 \$ 12,780

See notes to financial statements

BABES FRANCHISING, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY

	YEARS ENDED DECEMBER 31,	
	2023	2022
Revenue		
Franchise fees	\$ 1,333	\$ 500
Royalty Income, net	26,040	25,582
Total Revenue	27,373	26,082
Operating Expenses	23,415	16,844
Net Income (loss)	3,958	9,238
Members' Equity (Deficit) - Beginning	878	—
Members' Contributions (Distributions)	(22,345)	(8,360)
Members' Equity (Deficit) - Ending	\$ (17,509)	\$ 878

See notes to financial statements

BABES FRANCHISING, LLC
STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,	
	2023	2022
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 3,958	\$ 9,238
Adjustments to reconcile net (loss) to cash provided by operating activities:		
Changes in assets and liabilities		
Accounts Receivable	5,355	(10,447)
Credit Card	2,033	2,402
Contract Liability	8,667	9,500
	20,013	10,693
 Cash Flows from Financing Activities:		
Members' Contributions (Distributions)	(22,345)	(8,360)
 Net Increase (Decrease) in Cash	(2,332)	2,333
 Cash - Beginning of Year	2,333	—
 Cash - End of Year	\$ 1	\$ 2,333

See notes to financial statements

BABES FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

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5. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated through March 15, 2024, at which the financial statements were available to be issued.

EXHIBIT G
TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUALS

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How to Get Started

- 3 Welcome to your new tribe
- 4 Email Set Up
- 6 Staying Organized
- 7 Where to find things

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- 8 Social Media
- 8 Venues
- 9 Photography
- 9 Selfie Areas + More
- 11 Event Help + Team
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Sales, Forms, Royalties

- 13 Sales Process
- 13 Setting Up Tickets + Payment Forms
- 15 Where to find all your forms
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Social Media, Marketing + Branding

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- 21 Email Marketing
- 22 Branding Package
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- 26 Event Content, Photography + Video

How To Plan + Run Your Events

- 29 How to use your website
- 30 Speakers, Vendors, Venue, Sponsors
- 42 Checking in guests, Event, Group Activity
- 47 Selling Merch
- 48 Selfie Areas + Decor
- 50 Example Event Shot Lists

Merch, Members + Ways To Earn

- 51 Ordering Quarterly Merchandise
- 51 Hosting Larger Events: Babe Made
- 53 Workshops, Retreats + Mini Meet Ups
- 57 Gift Guides
- 58 Memberships

EXHIBIT H
GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed on _____
by _____
 (“Releasor”), _____
 (“Guarantors”), _____
 (“Transferee”) as a condition of [CHECK ONE]:

_____ (a) the transfer of the Franchise Agreement dated _____ between Babes Franchising LLC (“Babes in Business”) and Releasor (“Franchise Agreement”);

_____ (a) the execution of a renewal Franchise Agreement between Releasor and Babes in Business. (If this Release is executed under the conditions set forth in (c), all references in this Release to “Transferee” should be ignored.)

1. **Release by Releasor, Transferee, and Guarantors.** Releasor and Transferee (on behalf of themselves and their parents, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities), and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) (collectively, the “**Releasing Parties**”) freely and without any influence forever release (i) Babes in Business, (ii) Babes in Business’s past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities, and (iii) Babes in Business’s parent, subsidiaries, and affiliates and their respective past and present officers, directors, shareholders, managers, members, agents, and employees, in their corporate and individual capacities (collectively, the “**Released Parties**”), from any and all claims, debts, demands, liabilities, suits, judgments, and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “**Claims**”), which any Releasing Party ever owned or held, now owns or holds, or may in the future own or hold, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances and claims arising out of, or relating to, the BIB Franchise, the Franchise Agreement, and all other agreements between any Releasing Party and Babes in Business or Babes in Business’s parent, subsidiaries, or affiliates, arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law.

2. **Risk of Changed Facts.** Releasor, Transferee, and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Releasor, Transferee, and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. **Covenant Not to Sue.** Releasor, Transferee, and Guarantors (on behalf of the Releasing Parties) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

4. **No Prior Assignment and Competency.** Releasor, Transferee, and Guarantors represent and warrant that: (i) the Releasing Parties are the sole owners of all Claims and rights released

in Section 1 and that the Releasing Parties have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1; (ii) each Releasing Party has full and complete power and authority to execute this Release, and that the execution of this Release shall not violate the terms of any contract or agreement between them or any court order; and (iii) this Release has been voluntarily and knowingly executed after each of them has had the opportunity to consult with counsel of their own choice.

5. **Complete Defense.** Releasor, Transferee, and Guarantors: (i) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (ii) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. **Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasing Party.

7. **Counterparts.** This Release may be executed in two or more counterparts (including by facsimile), each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

8. **Capitalized Terms.** Any capitalized terms that are not defined in this Release shall have the meaning given them in the Franchise Agreement.

9. **Execution.** This Release may be executed in duplicate, and each copy so executed shall be deemed an original. This Release may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Release transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Release. You agree that the electronic signatures or digital signatures (each an “e-Signature”) of any party to this Release shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party’s intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party’s e-Signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Releasor, Transferee, and Guarantors have executed this Release as of the date shown above.

RELEASOR:

By: _____

Print Name: _____

Title: _____

Date: _____

TRANSEEREE (IF APPLICABLE):

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

GUARANTOR:

Print Name: _____

Date: _____

EXHIBIT I
PRE-CLOSING QUESTIONNAIRE

PRE-CLOSING QUESTIONNAIRE

[To be completed by Franchisee and all Owners before signing Franchise Agreement]

DO NOT COMPLETE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

As you know, you and Panhero's Franchise Corporation (the "Franchisor") are about to enter into a franchise agreement for the development, opening and operation of a PANCHEROS® franchised outlet (the "Outlet"). The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor's Franchise Disclosure Document?

Yes _____ No _____

2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes _____ No _____

3. Have you received and personally reviewed the Panhero's Franchise Corporation Franchise Agreement and all accompanying Exhibits?

Yes _____ No _____

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a PANCHEROS® Outlet operated by Franchisor or any of its affiliates?

Yes _____ No _____

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation (aside from the disclosure provided in Item 19 of the FDD) or promise concerning the revenue, profits or operating costs of a PANCHEROS® Outlet operated by a franchisee?

Yes _____ No _____

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning any PANCHEROS® Outlet that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes _____ No _____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating a PANCHEROS® Outlet ?

Yes _____ No _____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the amount of revenue a PANCHEROS® Outlet will generate?

Yes _____ No _____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating a PANCHEROS® Outlet that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a PANCHEROS® Outlet?

Yes _____ No _____

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

Yes _____ No _____

12. Do you understand that Franchisor's approval of a location for the Outlet does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the Outlet at the location?

Yes _____ No _____

13. Do you understand that the approval of Franchisor of a financing plan for operation of the Outlet does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the Outlet will be successful if the financing plan is implemented?

Yes _____ No _____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes _____ No _____

If you have answered "Yes" to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them.

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

PROSPECTIVE FRANCHISEE/APPLICANT:

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

EXHIBIT J

STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
New York	
Rhode Island	

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

In states that do not require a franchise registration or exemption filing, the effective date of this disclosure document is the issuance date of **April 30, 2025**.

EXHIBIT K
RECEIPT PAGES

RECEIPT

(YOUR COPY)

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 Babes Franchising LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Babes Franchising LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows: Jennifer Chavez, Babes Franchising LLC, 400 Hazel Street, Neptune, NJ 07753, 732-890-0977.

The issuance date of this Disclosure Document is: April 30, 2025.

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

I have received a Disclosure Document dated April 30, 2025 that included the following

Exhibits:

- Exhibit A – State Administrators/Agents for Service of Process
- Exhibit B – State Specific Addendum to Franchise Disclosure Document
- Exhibit C – Franchise Agreement with Exhibits
- Exhibit D – List of Current Franchisees
- Exhibit E – List of Former Franchisees
- Exhibit F – Financial Statements
- Exhibit G – Table of Contents of Confidential Operations Manuals
- Exhibit H – General Release
- Exhibit I – Pre-Closing Questionnaire
- Exhibit J – General Release
- Exhibit J - RECEIPT

Date

Prospective Franchisee

Printed Name

PLEASE KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

(OUR COPY)

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- Exhibit D - Non-Use and Non-Disclosure Agreement
- Exhibit E – List of Franchisees
- Exhibit F – List of Franchisees Who Have Left the Babes in Business System
- Exhibit G – Financial Statements
- Exhibit H – Table of Contents of Confidential Operations Manuals
- Exhibit I – Pre-Closing Questionnaire
- Exhibit J – General Release
- Exhibit J - RECEIPT

Date

Prospective Franchisee

Printed Name

Please sign this copy of the receipt, date your signature and return it to:
Jennifer Chavez, Babes Franchising LLC, 400 Hazel Street, Neptune, NJ 07753