FRANCHISE DISCLOSURE DOCUMENT

The New Mom School Franchising, LLC
A Texas Limited Liability Company
24672 Royale Ridge, Laguna Niguel, California 92677
310.560.3939
franchising@newmomschool.com
www.newmomschool.com

As a New Mom School franchisee, you will operate a business that provides post-natal support and education to mothers and their children.

The total investment necessary to begin operation of one New Mom School franchise is $132,630 to $221,100. This includes $63,930 to $67,100 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of two Schools under a Multi-Unit Development Agreement is $172,600 to $261,100. This includes $103,930 to $107,100 that must be paid to the franchisor or its affiliates. You are required to develop at least two New Mom Schools under the Multi-Unit Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Alexandra Spitz, CEO, The New Mom School Franchising, LLC, 24672 Royale Ridge, Laguna Niguel, CA 92677, (310) 560-3939, franchising@newmomschool.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 20, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only New Mom School business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a New Mom School franchisee?	Item 20 or Exhibit G 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 Orange County, California. 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 Orange County, California than in your own state.

2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4. **Unregistered Trademark**. The primary logo that you will use in your business is not federally registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products and services you offer.

5. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

6. **Unopened Franchises**. The franchisor has signed a number of franchise agreement with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

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Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document (the "Disclosure Document"), "we," "us," or "our" refers to The New Mom School Franchising, LLC. "You," "your," or "Franchisee" means the person or entity to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

Us, Any Parents, and Affiliates

Our name is The New Mom School Franchising, LLC**.** We are a Texas limited liability company that was formed on February 2, 2023. We do business under the name "New Mom School" and such other trade names, trademarks, slogans, and commercial symbols that we may designate or authorize from time to time ("Marks"). Our principal place of business is 24672 Royale Ridge, Laguna Niguel, California 92677. We have never offered franchises in any other line of business. We do not have any predecessors or a parent company. We do not operate a business of the type being offered in this Disclosure Document. We began offering franchises as of June 20, 2023.

We have no affiliate, predecessor or parent entity to disclose.

Agent for Service of Process

Our agent for service of process in Texas is Texan Registered Agent LLC, 5900 Balcones Drive, Suite 100, Austin, Texas 78731. Our agents for service of process in other states are disclosed in Exhibit A.

The Franchise Agreement and Development Rights

We grant franchises to qualified individuals to open and operate a New Mom School (each a "School") that provides postnatal support and education to mothers and their children operating under the Marks. Your School will operate using certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress, lay-out, guidance, and other intellectual property; distinctive signage; standards and specifications for services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs; which may be developed or changed, discontinued, improved, modified and further developed by us from time to time (the "System").

We offer the right to operate your School under our standard form franchise agreement (the "Franchise Agreement") which is attached to this Disclosure Document as Exhibit B. You must operate your School according to (a) our standards, specifications, techniques, and procedures that we designate for developing, operating, and managing each New Mom School, all of which we may periodically change, improve, and further develop and (b) our standards and procedures set out in our confidential operation manuals (collectively, the "Operations Manual"). We will lend you a copy of the Operations Manual for the duration of the Franchise Agreement.

If qualified, we may grant you development rights according to our Multi-Unit Development Agreement (the "MUDA") which is attached to this Disclosure Document as Exhibit C. Under a MUDA you will develop multiple Schools in a specific geographic area (the "Development Area") on an agreed-upon development schedule (the "Development Schedule"). For each School you open, we will require you to sign our then-current form of franchise agreement, which may be materially different than the Franchise Agreement included in this Disclosure Document.

Market and Competition

The market for a New Mom School is well-developed but fragmented among various practitioners and social services. You will serve the general public but will generally serve women who have children or are about to have children. You will compete for clients with various providers of services offering counseling and advice for mothers with newborns and young children including medical providers, counselors, religious organizations, other child and parent support groups. Your services will be offered year-round and you may compete with other New Mom School locations owned and operated by other franchisees, us or our affiliates.

Laws and Regulations

You will be subject to general business, employment and other laws and regulations such as the Americans With Disabilities Act ("ADA"), Occupational Safety and Health Act ("OSHA"), Fair and Accurate Credit Transactions Act ("FACTA"), privacy of consumer, employee and transactional information, payment card industry data security standards, wage and hour laws, and business licensing and permit requirements. We also require your compliance with all provisions of the USA Patriot Act and Executive Order 13224. You may be responsible for complying with the Payment Card Industry Data Security Standard ("PCI") and federal and state laws and regulations concerning data security, data privacy and security breaches. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

You may also be required to comply with local, state or federal healthcare regulations such as the American Academy of Pediatrics guidelines. You should consult with your attorney and local, state and federal government agencies opening your business, or any business, to determine all legal requirements and consider their effects on you and the cost of compliance. It is your responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

Item 2
BUSINESS EXPERIENCE

Alexandra Spitz, Founder and Chief Executive Officer. Alexandra Spitz has been our CEO since inception. She is also the founder of the New Mom School concept and was the Chief Executive Officer of The New Mom School, Inc. and its predecessor entity from December 2012 to August 2024 in Newport Beach, California.

Carly David, Director of Franchise Growth. Carly David has been our Director of Franchise Growth since April 2026in Irvine, California. Prior to this position, Carly was our Franchise Development Manager from November 2023 to April 2026 in Irvine, California. Prior to her position with us, Carly was the Manager of Training and Experience for Club Pilates Franchise LLC in Irvine, California from January 2017 to December 2023.

Amy Leclerc, Director of Franchise Development. Amy Leclerc will serve as our Director of Franchise Development as of May 2026 in Laguna Niguel, California. Prior to her position with us, Amy was the Co-Owner and Vice President of Franchise Sales for Sit Still Kids Salon in Austin, Texas from September 2018 to June 2025.

Mahri Lusby, Director of Training and Experience. Mahri Lusby has served as our Director of Training and Experience since March 2026 in Laguna Niguel, California. Prior to this position, Mahri was our Franchisee Operations Manager from July 2024 to March 2026 in Laguna Niguel, California. Prior to her positions with us, Mahri was a Program Director for the New Mom School located in Newport Beach, California from March 2020 to June 2024.

Jay Kallman, Vice President of Marketing and Enablement. Jay Kallman has served as our Vice President of Marketing and Enablement since March 2026 in Minneapolis, Minnesota. Prior to her position with us, Jay was the Founder of Revvy Marketing in Minneapolis, Minnesota from October 2024 to April 2026. From April 2021 to August 2024, Jay was the Marketing Director for Delaget in Minneapolis, Minnesota.

Jessika Gray, Project and Operations Lead. Jessika Gray has served as our Project and Operations Lead since April 2026 in Laguna Niguel, California. Prior to this position, Jessika was a Franchisee Onboarding Manager from November 2024 to March 2026 in Laguna Niguel, California. Prior to her positions with us, Jessika was a Director of Business Development for Franchised Focused Marketing in Santa Ana, California from January 2022 to November 2024. From October 2017 to January 2022, Jessika was a Marketing Manager for Xponential Fitness in Irvine, California.

Eric Spitz, Advisor. Eric Spitz has served as our Advisor since January 2025 in Laguna Niguel, California. In addition to his position with us, Eric is an Account Director for Tevora, a cyber security consulting firm, in Irvine, California from August 2013 to the present day.

Britton Lunde, Instructor Training Manager. Britton Lunde has served as our Instructor Training Manager since June 2024 in Eagle Idaho. In addition to her position with us, Britton is an Instructor with Stanton Healthcare Wellness Center in Boise, Idaho from January 2024 to present day. From January 2014 to March 2023, Britton served as an Instructor for the New Mom School in Newport Beach, California.

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 your Franchise Agreement for a single School, you must pay us $45,000 as the initial franchise fee (the "Initial Franchise Fee"). This fee is uniform, not refundable and fully earned upon receipt.

Franchisee Training and Onboarding Fee

Upon signing your Franchise Agreement, you will pay us a one-time $15,000 fee as a franchisee training and onboarding fee (the "Franchisee Training and Onboarding Fee"). The Franchisee Training and Onboarding Fee covers the costs associated with your onboarding before your New Mom School opens for business, including administrative support, initial training coordination, technology setup, and other pre-opening resources designed to ensure a smooth and efficient launch of your School. It further provides our oversight and support in connection with the development and opening of your School, which will include assistance with construction and buildout coordination, strategic planning for market entry, marketing support, assistance with event coordination, promotional material design, and guidance related to your initial local outreach efforts. This investment provides franchisees with the foundational tools and guidance necessary to establish a successful New Mom School location. It includes in-person and virtual training sessions, curriculum guidance, operational best practices, and support in key areas such as sales, customer experience, and business management. The Franchisee Training and Onboarding Fee ensures franchisees are fully equipped with the knowledge and skills necessary to run a thriving New Mom School. Your expenses for your travel, food, lodging and other expenses incurred by you are not included in the Training and Onboarding Fee and are your responsibility. The Franchisee Training and Onboarding Fee is non-refundable.

Instructor Training Fee

You will pay us $550 per instructor for each instructor that completes our instructor training program prior to the opening of your School (the "Instructor Training Fee"). The Instructor Training Fee covers the cost of our instructor certification and training curriculum. You are responsible for your instructors' travel, food, lodging and other expenses incurred in connection with attending the instructor training program. We estimate the initial investment for the Instructor Training Fee to be $1,100 to $2,750 for two to five instructors. The Instructor Training Fee is non-refundable.

Program Manager Training Fee

You will pay us $750 per program manager for each program manager that completes our program manager training program prior to the opening of your School (the "Program Manager Training Fee"). The Program Manager Training Fee covers the cost of our program manager certification and training curriculum. You are responsible for your program manager's travel, food, lodging and other expenses incurred in connection with attending the program manager training program. We estimate the initial investment for the Program Manager Training Fee to be $750 for one program manager. The Program Manager Training Fee is non-refundable.

Technology Fee

You will pay us a monthly fee which is currently $260 for the use and access to certain technology including one email address, Canva, Digital Stack, DelighTree, Gsuite, website subpage, social media accounts and other technology or software as we determine (the "Technology Fee"). You will pay the monthly cost of the Technology Fee which will start about one to two months after signing the Franchise Agreement. We estimate your initial investment for the Technology Fee to be $2,080 to $2,600, which incorporates the monthly cost of $260 for the estimated five to seven months before opening and the first three months after opening. Technology Fees are nonrefundable.

Extension Fee

You are required to open your School within nine months of signing your Franchise Agreement. If you sign a MUDA, you are required to open a pre-determined number of Schools according to your Development Schedule. If you request or we deem it necessary to grant you an extension to the deadline to open your School or to extend your Development Schedule, you will pay us $1,000 for each 30-day extension period we grant you (the "Extension Fee"). The Extension Fee is non-refundable.

Multi-Unit Development Agreement

If you and we agree that you will develop multiple Schools, then you will sign our MUDA and pay the Initial Franchise Fee of $45,000 for your first School plus a "Development Fee" based on the number of Schools we agreed to let you develop. The Development Fee for a second School is $40,000, for a third School is $35,000, and for fourth and any additional Schools is $30,000 each. You will pay the Development Fee upon signing your MUDA. For each School you develop, you shall sign a new franchise agreement on our then-current form which may contain materially different terms than the Franchise Agreement attached to this Disclosure Document. The Development Fee is fully earned when paid and not refundable.

Item 6
OTHER FEES

Franchise Agreement

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of 7% of Gross Sales or (i) $500 per month during the first year of the Franchise Agreement (ii) $1,000 per month during the second year of the Franchise Agreement, (iii) $1,500 per month during the third year of the Franchise Agreement, and (iv) $2,000 per month thereafter during each year of the Franchise Agreement.	Monthly on the 5th of the month	See Note 1 and Note 2.
Marketing Fund Contribution	The greater of 2% of Gross Sales or $400 per month.	Monthly on the 5th of the month	You must pay this fee (the "Marketing Fund Contribution") directly to us. We may from time to time change the rate or rates required to be paid by you as a Marketing Fund Contribution. See Item 11 for a detailed discussion about Marketing Fund. Amounts due will be withdrawn automatically by our registration software. The Marketing Fund Contribution shall commence upon the franchisee entering into a lease for its School location.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	$260 per month	Monthly on the 5th of the month	You will pay this fee to us for the use and access to certain technology and software. This fee is subject to change with notice to you but will not increase to more than $1,500 per month. You will commence paying the monthly Technology Fee about one to two months after signing your Franchise Agreement. See Note 3.
Momence Software Fee	$300 per month	Monthly	You will pay this fee to Momence for the licensing of this required software. You will commence paying this monthly fee approximately one to two months after you sign your Franchise Agreement.
Market Cooperative Contribution	As determined by co-op, if established. Currently, we do not have any cooperatives	Monthly	We have the right to establish local or regional advertising cooperatives. Any location owned by us, or any affiliate, will have the same voting rights as our franchisees. Dues will be imposed by a majority vote. Contributions to a cooperative may offset the corresponding amount of any required local marketing. The majority vote of the cooperative will determine the dues to be paid by members of the cooperative, including Franchisee, but not less than 1% and provided Franchisor or its affiliates have a majority vote, not more than 3% of Gross Sales.

Type of Fee	Amount	Due Date	Remarks
Local Marketing Fee	3% of Gross Sales	As incurred	See Note 4. You will be required to pay for digital advertisements as discussed below but in addition to that we require that you spend 3% of your Gross Sales for additional local marketing to third parties subject to our approval and oversight. You may only use promotional materials that we have provided to you or approved.
Paid Digital Ad Spend Requirement	$1,500 per month	Monthly	You are required to use our Approved Vendor for paid digital advertisements. You are required to spend a minimum of $1,500 per month on paid digital advertising in your local area using our Approved Vendor. From time to time, you may be required to increase your monthly advertising spend above this minimum when advertising performance and market conditions support additional investment to capture additional demand and drive incremental revenue, or when reasonably necessary to improve business performance, as determined by us based on factors such as return on advertising spend, lead volume, and market conditions. You will not be required to increase your Paid Digital Ad Spend Requirement to more than $7,500 per month. You are also responsible for any management or service fees charged by our Approved Vendor (currently $597 per month), which are subject to change.

Type of Fee	Amount	Due Date	Remarks
Instructor Training Fee	$550 per instructor	Prior to attending training	If you send an instructor to our training program at any point during the term of the Franchise Agreement, you will pay this fee per instructor.
Program Manager Training Fee	$750 per manager	Prior to attending training	If you send a program manager to our training program at any point during the term of the Franchise Agreement, you will pay this fee for each program manager.
On-Site Training at your School	Currently, $2,500 per training plus expenses for training materials, travel, food, lodging and other expenses incurred by our trainers	Prior to holding training	With our approval, you may conduct onsite training at your School with our onsite support team under certain terms and conditions. We can change this fee during the term of your Franchise Agreement, but it will increase no more than 5% per year and will not exceed $3,500 per training during the term of your Franchise Agreement.
Non-Compliance Fee	$1,000	On demand	We may charge you $1,000 if your School is not in compliance with our System specifications including the Operations Manual or the Franchise Agreement, and you fail to correct the non-compliance after 30 days' notice. Franchisor may also charge Franchisee for its costs incurred if in the exercise of its discretion it determines that travel to Franchisee's location is appropriate.
Reimbursement of Cost for Non-Compliance	Our cost plus 10% administrative fee	On demand	If we pay any amount that you owe or are required to pay to a third party or if we cure non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), you must reimburse us our costs plus a 10% administrative fee.

Type of Fee	Amount	Due Date	Remarks
Customer Complaint or Governmental Report	Our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your School. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient Funds Fee	$75 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of Collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorneys' fees) in attempting to collect amounts you owe to us.
Records Audit	Our actual cost	On demand	Payable only if (1) we audit your School because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported Gross Sales by more than 3% for any 4-week period.
Transfer Fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you transfer your Franchise Agreement, Multi-Unit Development Agreement or sell your School with our consent, subject to state law.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages	An amount equal to Royalty Fees and Marketing Fund Contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term	On demand	Payable if we terminate your Franchise Agreement because of your default or if you terminate the Franchise Agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your School	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your School (unless caused by our misconduct or negligence).
Prevailing Party's Legal Costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorneys' fees, court costs and other expenses.
Management Fee	Our expenses plus an administrative fee of 10% of Gross Sales	As incurred	Due when we (or a third party) manage your School after your managing owner's death or disability, or after your default or abandonment. You will also be responsible for all other fees due to us.
Testing of Products or Approval of new Suppliers	All actual costs and expenses of inspection and testing	As invoiced	This covers the costs of testing new products or inspecting new suppliers you propose to us.
Renewal Fee	25% of the then current Initial Franchise Fee	At renewal	You must timely notify us of your desire to renew the Franchise Agreement. The Renewal Fee is due at the time you request to renew and is not refundable.

Type of Fee	Amount	Due Date	Remarks
Convention Fee	Actual costs	Upon demand	We may hold an annual New Mom School franchisee conference. We reserve the right to charge you a fee to attend the convention at our discretion. Additionally, you will be obligated to pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.
Relocation Fee	An amount set by us, currently $2,500	When relocation is approved	You are not entitled to relocate your School. If we agree to allow you to relocate under specific internal criteria, this fee shall apply to any relocation of your School in the same market and as approved by us. We may waive this fee if the relocation is due to no fault of Franchisee.

All fees are payable only to us unless stated otherwise. All fees are imposed by us and collected by us automatically through our registration software or by other means upon notice to you. All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we consider appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you. All fees expressed in percentages are calculated by multiplying the percentage stated by the total monthly Gross Sales of your School.

Notes

1. "Gross Sales" "is defined as the total dollar amount of all sales generated through your School for a given period, including, but not limited to, payment for any services or products sold by you including gift cards when purchased, and whether for cash or credit or debit card, barter exchange, trade credit or other credit transactions that arise, directly or indirectly, from the operation of or in connection with your School. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected from customers and paid to the appropriate taxing authority, (iii) sale of used equipment not in the ordinary course of business, or (iv) the redemption of any gift card.

2. The minimum Royalty Fee payable is $500 per month during the first year of your Franchise Agreement, $1,000 per month during the second year of your Franchise Agreement, $1,500 per month during the third year of the Franchise Agreement and then $2,000 per month for each year of the Franchise Agreement thereafter. In any case, the Royalty Fee payable each month is 7% of Gross Sales for any month that amount is greater than the minimum owed. We currently

require you to pay Royalty Fees and other amounts due to us through our registration software. However, we can require an alternative payment method upon notice to you. The Royalty Fee will become due in the month after Gross Sales are earned by the Franchisee.

3. You will pay the monthly Technology Fee for the use and access to certain technology including one email address, Canva, Digital Stack, DelighTree, Gsuite, website subpage, social media accounts and other technology or software as we determine . In addition to the Technology Fee, you will pay any credit card processing fees. Currently, the rate is up to 3.9% + .30 cents per transaction but could change and be less as our franchise system grows. These fees will be automatically deducted from each transaction.

4. Your expenditures for local marketing are made to third parties, not to us.

MUDA

If you sign a MUDA, you should review both the above table of fees applicable to your Franchise Agreement as well as the following table of fees applicable to being a developer:

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	At the time of transfer	The transfer fee and all other fees paid to us are non-refundable.
Attorneys' fees and costs	Actual costs	As incurred	Payable to us if we are forced to incur costs (including attorneys' fees) if you fail to comply with or breach any provision in the MUDA among our other remedies
Indemnification	Actual costs	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of your breach of the MUDA.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (Note 1)	$45,000	$45,000	Lump sum	Upon signing your Franchise Agreement	Us
Franchisee Training and Onboarding Fee (Note 2)	$15,000	$15,000	Lump sum	Upon signing your Franchise Agreement	Us
Instructor Training Fee (Note 3)	$1,100	$2,750	Lump sum	Prior to opening	Us
Program Manager Training Fee (Note 4)	$750	$750	Lump sum	Prior to opening	Us
Leasehold Improvements (Note 5)	$5,000	$30,000	As incurred	As incurred	Contractors
Real Estate/Rent (3 months) (Note 6)	$6,500	$18,750	As arranged	As incurred	Landlord
Security Deposit	$2,800	$5,000	As arranged	As incurred	Landlord
Utilities	$100	$300	As incurred	Upon ordering service	Utility providers
Architecture (Note 7)	$0	$6,000	As arranged	As incurred	Architect
Market Introduction Program (Note 8)	$20,000	$25,000	As incurred	At the signing of the letter of intent for your School location and 30 days after opening your School	Vendors

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Technology Fee (Note 9)	$2,080	$2,600	Automatic withdraw	Before opening	Us
Momence Software (Note 10)	$2,100	$2,700	As arranged	Before opening	Vendor
Computer System (Note 11)	$0	$1,500	As incurred	Before opening	Vendors
Insurance (Note 12)	$750	$3,500	As incurred	Upon ordering	Insurance company
Signage (Note 13)	$1,400	$6,000	As incurred	Upon ordering	Vendor
Furniture, Fixtures, and Equipment	$5,000	$7,000	As incurred before opening	As incurred	Vendors
Inventory/Class Supplies	$2,000	$2,500	As incurred	Upon ordering	Vendors
Licenses and Permits	$50	$250	As incurred	Upon application before opening	Government Agencies
Professional Fees (lawyer, accountant, etc.)	$1,500	$3,000	As incurred	As incurred or when billed	Professional service firms
Training Travel Expenses	$1,500	$2,500	As incurred	During Training	Airlines, hotels, and restaurants
Extension Fee (Note 14)	$0	$1,000	As incurred	Before opening	Us
Additional Funds (for first 3 months) (Note 15)	$20,000	$40,000	Varies	Varies	Employees, landlord, suppliers, utilities
Total Estimated Initial Investment (Note 16)	**$132,630**	**$221,100**			

Notes

1. Initial Franchise Fee. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. Franchisee Training and Onboarding Fee. You will pay us the Franchisee Training and Onboarding Fee upon signing your Franchise Agreement which includes the costs associated with your onboarding including administrative support, initial training coordination, technology setup, and other pre-opening resources for your School. It further provides our oversight and support in connection with the development and opening of your School, which will include assistance with construction and buildout coordination, strategic planning for market entry, marketing support, assistance with event coordination, promotional material design, and guidance related to your initial local outreach efforts. The Franchisee Training and Onboarding Fee is non-refundable.

3. Instructor Training Fee. You will pay us $550 per instructor for each instructor that completes our instructor training program prior to opening your School. We estimate that you will need to train two to five instructors prior to opening, for an estimated initial investment of $1,100 to $2,750. The Instructor Training Fee is non-refundable.

4. Program Manager Training Fee. You will pay us $750 per program manager for each program manager that completes our program manager training program prior to opening your School. We estimate that you will need to train one program manager prior to opening, for an estimated initial investment of $750. The Program Manager Training Fee is non-refundable.

5. Leasehold Improvements. You must improve the premises of your School to our standards and specifications before you open for operation. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises at the time you sign your lease. You may receive a leasehold allowance covering a portion of the costs of constructing the leasehold improvements from the landlord that may lessen your initial investment cost. You should hire a leasing attorney to maximize the amount of tenant allowance received. The estimate assumes a vanilla shell delivery of your premises. The low end of the range estimates that you will receive a turnkey location for your School.

6. Real Estate/Rent. The typical space of New Mom School will range from 1,000 to 1,500 square feet. We have used our experience with our affiliate New Mom School in California and estimate the rent per square foot amount to be $26 to $50 per square foot annually including common area maintenance and taxes. The monthly range of rent expenses expected for a franchisee will depend on a number of factors, including the size of the space and geographical location of your School. You may be required to pay a security deposit with your lease, usually equal to one-month rent. You may be able to negotiate a period of free rent for any time reasonably required to build out the space. We expect that you will rent your location for your School. If you choose to purchase real estate instead of renting, your costs will be significantly different. The estimate in the chart above is for three months of rent.

7. Architecture. You may need to obtain the services of a licensed architect to prepare plans for the buildout of your School. The low end of the range in this estimate assumes you will not need an architect for your School.

8. Market Introduction Program. We require you spend between $20,000 to $25,000 on the required paid digital ad spend and other initial advertising and promotional materials and advertising, promotion, and events to promote and execute the opening of your School (the "Market Introduction Program"), which must be coordinated with us and must commence at the time you enter into a letter of intent for your School location and last for at least 30 days after your open your School. We must approve all materials for your Market Introduction Program.

9. Technology Fee. You will pay us the monthly Technology Fee, which will start about one to two months after signing the Franchise Agreement. We estimate your initial investment for the Technology Fee to be $2,080 to $2,600, which incorporates the monthly cost of $260 for the estimated five to seven months before opening and the first three months after opening. Technology Fees are nonrefundable.

10. Momence Software. You will also be required to have Momence software and pay the vendor the then current fee, which is currently $300 per month. You will commence paying for this software one to two months after signing your Franchise Agreement. The estimate above includes seven to nine months of fees. Per an agreement with the vendor, you will receive the first month of service at no cost.

11. Computer System. This estimate is based on the cost of the current hardware and software including the Point of Sale ("POS") system. You may already have all of the hardware and software needed, which may lower your initial investment cost. We reserve the right to change hardware and software requirements.

12. Insurance. You must obtain certain insurance included in Item 8. Factors that may affect your cost of insurance include the size and location of your School, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time your sign the Franchise Agreement.

13. Signage. You will need interior signage within your School. Exterior signage is required if it is available at your School as determined by your leased location.

14. Extension Fee. You are required to open your School within nine months of signing your Franchise Agreement. If you request or we deem it necessary to grant you an extension to the deadline to open your School, you will pay us the Extension Fee for each 30-day extension period we grant you. The low end of the estimate assumes you will not pay an Extension Fee, and the high end of the range assumes you will pay one Extension Fee.

15. Additional Funds. This includes any other additional fund you will need before operations begin and during the first three months of operations, such as payroll, additional inventory, rent, leasehold improvements, fees to us and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In

formulating the amount required for additional funds, we relied on our experience in the development of New Mom School by our affiliate in California, and our general knowledge of the business.

16. Total Estimated Initial Investment. This is the total estimated initial investment to open and commence operating your School for the first three months. We relied on our affiliate's experience opening and operating New Mom School to compile this estimate. Your costs will depend on factors such as: the size of your territory, how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for the products and services; competition; and the sales level reached during the initial period. The estimate does not include the monthly cost of debt service. The estimate includes such items as initial payroll taxes, Royalty Fees, Marketing Fund Contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff recruiting expenses, state tax, depreciation/amortization, deposits and prepaid expenses where applicable and other miscellaneous items.

YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee for First School	$45,000	$45,000	Lump Sum	Upon signing your Franchise Agreement	Us
Development Fee for a Second School (see Note 1)	$40,000	$40,000	Lump Sum	Upon signing your MUDA	Us
Total Remaining Initial Investment for a Single School	$87,630	$176,100	*See Table Above*		
Total	**$172,630**	**$261,100**			

Notes

1. Development Fee. This estimate assumes you sign a MUDA for two Schools. You will pay the Initial Franchise Fee for your first School and a Development Fee of $40,000 for the second School. You will pay us the Development Fee upon signing the MUDA and it is non-refundable.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Vendors

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your School (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications (each an "Approved Vendor"). All items that you purchase from Approved Vendors must meet our specifications. We publish a list of Approved Vendors and order procedures in the Operations Manual.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement which is attached to this Disclosure Document as Exhibit 5 to the Franchise Agreement.

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Operations Manual, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the school, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, and (iv) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation. We recommend that you use our Approved Vendor for insurance purposes which is Soloman Insurance (Bowermaster Insurance Brokers), Attn: Emal Sharaf, Emal.Sharaf@patriotgis.com | www.bowermaster.com.

C. POS System software and hardware, and related software and hardware. You must purchase or lease the POS system software and hardware, and related software and hardware, that we specify. See Item 11 for more details. You must use our required registration software. We may periodically change any software requirements to adapt to changing capabilities by written notice to you or by updating our Operations Manual.

D. Equipment, inventory and supplies. You may be required to purchase equipment, supplies, inventory and supplies from our affiliate or our Approved Vendors, including purchasing from our affiliate certain merchandise and supplies. We are the Approved Vendor for the Technology Fee.

E. Branded merchandise. You may be required to purchase from us certain branded merchandise and miscellaneous supplies from our affiliate or another vendor we designate including marketing materials. We may periodically add and remove items that you must purchase from us or our affiliate.

F. Signage. You may be required to purchase the signs used to identify your School from our Approved Vendor utilizing designs we approve.

Us or our Affiliates as Supplier

As of the date of this Disclosure Document, we are the Approved Vendor of products and services needed for your School including the exclusive supplier of the Technology Fee. None of our affiliates are a supplier of goods and services to franchisees. None of our officers own an interest in any third-party supplier.

Alternative Suppliers

If you want to use a supplier that is not on our list of Approved Vendors, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which will be made available to you and may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. You must pay our expenses to evaluate goods, services or suppliers regardless of whether we provide our approval or not. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Operations Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Operations Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Operations Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists. We do not currently negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we may do so in the future. We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Required Purchases as a Proportion of Costs

We estimate that all initial investment items purchased or leased from us, our affiliates or our other designated or Approved Vendors, or in accordance with our specifications will represent

approximately 20% to 35% of total purchases you will make to begin operations of your School, and approximately 20% to 35% of the ongoing costs to operate your School.

Revenue from Required Purchases

We and our affiliates reserve the right to receive fees, payments, rebates, commissions or other consideration from third party manufacturers, suppliers, and/or distributors on their sales of products, services, equipment, goods and supplies to our affiliate and our franchisees. Except as described below, we and our affiliates will retain and use any fees, payments, rebates, commissions or other consideration as we deem appropriate or as required by a particular manufacturer, supplier or distributor. For our fiscal year ending December 31, 2025, we did not receive any revenue from franchisee purchases of goods, products and services from us or our affiliates. For the fiscal year ending December 31, 2025, we received $3,570.45 in revenue based on franchisee purchases from approved third party suppliers.

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 in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement (FA): §§ 6.1, 6.2 Multi-Unit Development Agreement (MUDA): Not Applicable	Item 11
b. Pre-opening purchase/leases	FA: §§ 6.2, 6.3 MUDA: Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 6 MUDA: §§1(a), 3	Items 5, 7, 8 and 11
d. Initial and ongoing training	FA: §§ 5.1(g), 6.4, 7.6 MUDA: Not Applicable	Items 5, 6, 8 and 11
e. Opening	FA: §§ 6.5, 6.6 MUDA: §1(a)	Items 7, 8 and 11
f. Fees	FA: Article 4, §§ 5.1(g), 5.2(a), 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6 MUDA: §1(a)	Items 5, 6 and 7

Obligation	Section in Agreement	Disclosure Document Item
g. Compliance with standards and policies/operating manual	FA: §§ 6.3, 7.1, 7.3, 7.5, 7.9 –7.13, 7.15, 10.1, 10.4, 11.1 MUDA: Article 1	Items 8, 11 and 14
h. Trademarks and proprietary information	FA: Article 12, § 13.1 MUDA: Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	FA: § 7.3 MUDA: Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	FA: §§ 7.3, 7.8, 7.9 MUDA: Not Applicable	Item 8
k. Territorial development and sales quotas	FA: Not applicable MUDA: §§1(a), 4(i)	Item 12
l. Ongoing product/service purchases	FA: Article 8 MUDA: Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	FA: §§ 7.12, 7.13 MUDA: Not Applicable	Items 6, 7 and 8
n. Insurance	FA: § 7.15 MUDA: Not Applicable	Items 6, 7 and 8
o. Advertising	FA: Article 9 MUDA: Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	FA: Article 16 MUDA: §7	Items 6 and 8
q. Owner's participation/management/staffing	FA: § 2.4 MUDA: Not Applicable	Items 15
r. Records and reports	FA: Article 10 MUDA: Not Applicable	Item 11
s. Inspections and audits	FA: §§ 10.5, 11.2 MUDA: Not Applicable	Items 6 and 11
t. Transfer	FA: Article 15 MUDA: Article 8	Items 6 and 17
u. Renewal	FA: § 3.2	Item 17

Obligation	Section in Agreement	Disclosure Document Item
	MUDA: Not Applicable	
v. Post-termination obligations	FA: Article 13, § 14.3 MUDA: Not Applicable	Item 17
w. Non-competition covenants	FA: § 13.2 MUDA: Not Applicable	Item 17
x. Dispute resolution	FA: Article 17 MUDA: Article 8	Items 6 and 17

Item 10
FINANCING

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

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Our Pre-Opening Obligations

A. *Your site.* We will review and advise you regarding potential locations for the site for your School that you submit to us. (Franchise Agreement - Sections 5.1 and Section 6). We will approve or disapprove your proposed site within 30 days after you submit all of our required documents and information. If you do not have a site when you sign your Franchise Agreement, then we will specify in your Franchise Agreement the area in which you must select a location for your School (Franchise Agreement, Summary Page). If you sign a MUDA, we will approve the location of each New Mom School based on our then current site selection standard, within your Development Area and determined the Territory for each School. For each additional franchise, Franchisee shall execute Franchisor's then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location for the franchise. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

B. *Territory.* When a site is approved, we will designate your territory as defined in Item 12. (Franchise Agreement -Section 6.1).

C. *Plans*. We will provide you with specifications for your School. (Franchise Agreement - Section 5.1)

D. *Necessary furniture, signs, fixtures, equipment, computer system, and supplies.* We will provide you with a list of our specifications and Approved Vendors for signs, fixtures, equipment, computer system, and supplies. We do not deliver or install any required items. (Franchise Agreement - Section 5.1).

E. *Hiring and training employees*. We will provide you with our suggested staffing levels (Franchise Agreement - Section 5.1), operational instructions in the Operations Manual which you can use as part of training new employees (Franchise Agreement - Section 5.1), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

F. *Operations Manual*. We will give you access to our Operations Manual and any updates and revisions to the Operations Manual (Franchise Agreement - Section 5.1).

G. *Initial Training Program.* We will conduct our initial training program. (Franchise Agreement - Section 5.1) The current initial training program is described below.

H. *Business plan review*. If you request, we will review your pre-opening business plan and financial projections. (Franchise Agreement - Section 5.1).

I. *Market Introduction Program*. We will assist you with the Market Introduction Program including assistance with the strategic planning and execution of the grand opening, including marketing support, assistance with event coordination, promotional material designs, and guidance on local outreach efforts to maximize community engagement. (Franchise Agreement - Section 5.1).

Length of Time to Open

The typical length of time between signing your Franchise Agreement and the opening of your School is six to nine months depending on when you sign a lease or otherwise acquire a location for your School. Other factors besides acquiring a lease that may affect the time period include your ability to obtain financing, develop your School, obtain business permits and licenses, and hire employees**.**

Our Post-Opening Obligations

During the operation of your School, we or our designee will:

A. *Resolving operating problems encountered and additional training.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your School, and resolving operating problems you encounter, to the extent we deem reasonable. If you send an instructor to our training program at any point during the term of the Franchise Agreement, you will pay the Instructor Training Fee of $550 per instructor. If you send a program manager to our training program at any point during the term of the Franchise Agreement, you will pay the Program Manager Training Fee of $750 per program manager. You are responsible for your personnel's travel, food, lodging and other expenses incurred in connection with attending training. If you request onsite training be conducted at your School, we

will charge you our then current onsite additional training fee which is currently $2,500 per training, plus expenses for training materials, travel, food, lodging and other expenses incurred by our onsite support team. We can change this fee during the term of your Franchise Agreement, but it will increase no more than 5% per year and will not exceed $3,500 per training during the term of your Franchise Agreement. (Franchise Agreement, Sections 4.6, 4.7 and 5.2).

B. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you with our recommended procedures for administration, bookkeeping, accounting, and inventory control (Franchise Agreement - Section 5.2). We may make any such procedures part of the required (and not merely recommended) procedures for our system.

C. *Marketing Fund*. We will administer the Marketing Fund (Franchise Agreement - Section 5.2). We will prepare an unaudited annual financial statement for the Marketing Fund within 120 days of the close of our fiscal year and will provide it to you upon written request. (Franchise Agreement- Section 9.3).

D. *Website*. We will maintain a website for New Mom School brand, which will include your business information and telephone number. (Franchise Agreement - Section 5.2).

Your Location

We must approve the location for your School. To obtain our approval, you must provide all information and documents about the site that we require. If you do not have a location when you sign your Franchise Agreement, we will specify in your Franchise Agreement the area in which you must select a location. The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. We generally do not own your premises.

We will approve or disapprove your proposed site for your School within 30 days after you submit all of our required documents and information. If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open your School within nine months of signing your Franchise Agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your Franchise Agreement, and you will forfeit the Initial Franchise Fee and all non-refundable fees paid to us. We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits.

Advertising

Paid Digital Ad Spend. Beginning at the time you enter into a letter of intent for your School location, you will be required to use our Approved Vendor for paid digital advertisements. You are required to spend a minimum of $1,500 per month on paid digital advertising in your local area using our Approved Vendor. You are also responsible for any management fees to our Approved Vendor which currently is $597 per month, which is subject to change from the third party Approved Vendor.

Local Marketing. In addition to the paid digital ad spend requirement, we require that you spend 3% of your Gross Sales on additional local marketing and promotional activities beyond the

minimum amounts required under your Franchise Agreement. Your local advertising expenditures will include advertising, merchandising, sales promotion and other forms of advertising at the local level including approved Google advertisements, digital advertisements, campaigns through an approved marketing vendor and approved branded email advertisements. Each month, you must provide us with an accounting of the monies that you spent and documentation of the local advertising and promotional activities you executed during the preceding calendar month. If you fail to spend the required minimum amount during any calendar year on approved local advertising and promotional activities, you must pay us the difference between what you should have spent on approved local advertising and promotional activities during that year, and what you actually spent on those items during that year.

You must obtain our approval (in writing) of all marketing, advertising and promotional materials before use, including any of your own materials, at least 10 business days before the deadline for running or using the marketing, advertising or promotional materials. Any marketing, advertising or promotional materials not approved by us within 14 days will be deemed disapproved. At any time, we may require you to stop any marketing, advertising or promotion. You must use marketing, advertising and promotional materials that depict any of our trademarks only in connection with your sale of approved services and products in connection with your School. Any marketing, advertising and promotional materials you use must be current, in good taste and in good condition and communicate the brand position and character that we have established for New Mom Schools. We may periodically make available for purchase, from us or our affiliates or designated or Approved Vendors, certain advertising, marketing and promotion materials. You must use your best efforts to promote and advertise your School and will participate in all advertising and promotional programs we establish in the manner we direct as described in the Operations Manual or otherwise in writing. We are not required to spend any particular amount on advertising in your Territory.

Market Introduction Program. We require you spend between $20,000 to $25,000 on the Market Introduction Program which includes the required paid digital ad spend and other initial advertising and promotional materials and advertising, promotion, and events to promote and execute the opening of your School. You will coordinate the Market Introduction Program with us and must commence the Market Introduction Program at the time you enter into a letter of intent for your School location and will last until at least 30 days after you open your School. We must approve all materials for your Market Introduction Program.

Marketing Fund. We have established an advertising and marketing fund (the "Marketing Fund") to promote the New Mom School brand. You must pay the Marketing Fund Contribution each month, which is the greater of two percent (2%) of your Gross Sales or $400 per month. The Marketing Fund Contribution shall commence upon the franchisee entering into a lease for its School location. All franchisees will contribute to the Marketing Fund at the same rate. Any location in which we or our affiliates have an ownership interest shall contribute equally to the Marketing Fund.

The Marketing Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the or any advertising fees we receive. We have no obligation to make expenditures on your behalf that are equivalent or proportionate to your contributions to the

Marketing Fund, to ensure that any particular franchisee benefits directly or *pro rata* from marketing or advertising we develop or place or to ensure that any advertising directly impacts your School or penetrates your Territory. We are not obligated to spend any amount of Marketing Fund Contribution in your Territory or in any particular franchisee's territory. In the fiscal year ending December 31, 2025, we collected $28,841 in Marketing Fund Contributions and we spent $28,841 Marketing Fund Contributions and of this amount 100% was administrative expenses.

We may use the Marketing Fund in connection with creating, formulating, developing and implementing marketing, advertising and promotional programs, campaigns and materials, and any other activities we, in our sole judgment, believe are appropriate to enhance, promote and protect the brand. These items and activities may include (i) preparing marketing and advertising materials; (ii) preparing and maintaining a presence online including web pages and websites, and other activities related to advertising and promotion via the Internet and/or other public computer networks; (iii) preparing and conducting television, radio, magazine, newspaper and Internet advertising campaigns and other public relations activities; (iv) employing public relations firms and advertising agencies to assist in the activities described above, including without limitation the placement of print, broadcast or Internet advertising; (v) conducting new product development and research; (vi) conducting market research, sponsorships, mystery shopper programs, and client surveys and interviews; (vii) collecting and accounting for the marketing and advertising payments from our franchisees; and (viii) preparing accountings for the Marketing Fund. We will not use the Marketing Fund for general operating expenses except the administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration of the Marketing Fund, including without limitation the salaries and benefits paid to our employees and affiliates engaged in advertising-related functions. We may use any media, create any programs, campaigns and materials, and allocate advertising and promotional expenditures locally, regionally or nationally and to any regions or localities that we consider appropriate. We may use in-house personnel and/or outside national, regional or local public relations firms and agencies to create and place marketing and advertising for the brands and otherwise perform the activities described above.

If requested by you in writing no sooner than 120 days after the end of our fiscal year, we will provide you with an annual unaudited statement of contributions and expenditures of the Marketing Fund for our most recently completed fiscal year. We will not be required to audit the Marketing Fund. If we expend less than the total contributions available in the Marketing Fund during any fiscal year, we will retain the remaining amount in the Marketing Fund and expend the unused sum during the following fiscal year. If we expend an amount greater than the amount available in the Marketing Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Marketing Fund during the preceding year), we will be entitled to reimburse ourselves from the Marketing Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. Although the Marketing Fund would be intended to be of perpetual duration, we have the right to discontinue the Marketing Fund. We decide whether to form and whether to terminate the Marketing Fund. If we terminate the Marketing Fund, we may require that you spend an equivalent amount on local advertising in addition to the amount you are required to spend on local advertising. We will not discontinue the Marketing Fund, however, until we have expended all money in the Marketing Fund for advertising and promotional purposes. We will not use Marketing Fund Contributions for the direct

solicitation of franchise sales. However, we may include a statement regarding the availability of information about the purchase of New Mom School franchises in advertising and other items produced or distributed using the Marketing Fund.

Advertising Cooperatives. As of the issuance date of this Disclosure Document, there were no advertising cooperatives established. We have the power, however, to form, approve the franchisee formation of, change, dissolve or merge local or regional advertising cooperatives, and to establish the rules under which these cooperatives will operate. If established, you must participate in any local or regional advertising cooperative we form or approve in the area where your School is located and pay your share of the cooperative's marketing expenses. Any payments you make for the cooperative's marketing will be applied towards your local marketing requirement but will not affect your obligation to make Marketing Fund Contributions under the Franchise Agreement. The majority vote of the cooperative will determine the dues to be paid by members of the cooperative, including Franchisee, but not less than 1% and provided Franchisor or its affiliates have a majority vote, not more than 3% of Gross Sales. If the amount you contribute to a cooperative is less than the local marketing requirement, then you shall nevertheless spend the difference locally. The cooperative's marketing expenses will be allocated among its members based on the number of participating franchisees, or on some other reasonable basis as may be determined by the franchise advisory council or us. We or our designee will be responsible for administering the cooperative; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. If established, the cooperative will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable written request. An accounting of the operation of the cooperative will be prepared annually by the cooperative, at the cooperative's expense, and made available to cooperative members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any cooperative upon written notice to its members; however, a cooperative will not be dissolved until all of the money in the cooperative has been spent for marketing purposes. Franchisor or our affiliate owned units will not be required to contribute to the cooperative. As of the issuance date of this disclosure document, there was no advertising council that advises us on advertising materials, but we may in the future. We have the power, however, to form, change, or dissolve any advertising council. Any advertising council we form will serve in only an advisory capacity.

System Website and Social Media

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator www.newmomschool.com that provides information about the System and about New Mom School services and products. We will maintain accounts on appropriate social media platforms for the New Mom School brand. We retain the sole right to post content on our website and otherwise market on the Internet except as provided herein, including the use of other websites, domain names, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in

connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the New Mom School website. You are not permitted to use a domain name containing New Mom School in the URL or any of our Marks in the URL or any domain without our permission.

You may not use any electronic media, including the Internet, or any social media except the accounts established by and owned by us, for viewing by the public that contains or is associated with your School or our Marks without our prior written approval. You may not establish a Facebook®, Snap Chat®, X®, TikTok®, Pinterest® or similar pages, post through Instagram® or on YouTube®, or utilize other, similar social media, without our prior written approval. Franchisor may establish local social media accounts for Franchisee's School. Once established, Franchisor will provide Franchisee with access to the social media accounts. All social media accounts shall be owned and administered by Franchisor. Franchisee shall not be entitled to change any username or password to any social media account. Franchisee shall follow all guidelines, policies and procedures established by Franchisor for all social media use which may be changed from time to time in Franchisor's sole discretion. Franchisee may make appropriate posts to the School's social media accounts without the prior approval of Franchisor if the post are: (i) photos or videos from classes held in your School; (ii) updates to your School's class schedule; (iii) class spot openings at your School; (iv) announcements for class start dates held at your School; (v) announcements for pre-approved events and/or workshops; (vi) photos and videos of Franchisee partnered local events; and (vii) photos or videos of events or workshops hosted at your School. For all other content, posts or information Franchisee wishes to post or share on any social media account, Franchisee shall seek written approval from Franchisor prior to posting and send all required content to Franchisor via email. Franchisor shall attempt to promptly respond to all requests for approval from Franchisee; however, all requests not approved within ten business days shall be deemed denied. Franchisor shall be entitled to post any general brand content on each social media account at Franchisor's sole discretion and will provide original content including general brand content, New Mom School studio highlights, reels, posts and other information that will be posted to all New Mom School social media accounts. Franchisor shall be entitled to delete, remove or block any content, post or otherwise on any social media account in Franchisor's sole discretion. Franchisor shall have the right to revoke access to all social media accounts at any time in Franchisor's sole discretion and delete or deactivate all social media accounts without notice to Franchisee.

Software and Computer Systems

You must purchase and use any hardware and software programs we designate. You must meet our current requirements concerning the Computer System, which can include: (a) POS system, data, audio, video, telephone, voice messaging, retrieval, and transmission systems for use at your School; (b) Internet access mode (such as the telecommunications connection) and speed; and (c) technology used to enhance and evaluate the client experience; and (d) other hardware and software as we require (collectively, all of the above are referred to as the "**Computer System**").

As part of your Computer System, we require you to buy or lease and use a desktop or laptop to help manage your School. Currently, we require you to use our approved vendor for registration software which uses Stripe as its payment processing software to manage leads, send email newsletters, manage class schedules and collect registrations. You may be required to use certain marketing and/or accounting software as we require. You are required to have QuickBooks

Online and any other software we advise from time to time. You will pay us for the Technology Fee which includes the use and access to certain technology including one email address, Canva, Digital Stack, DelighTree, Gsuite, website subpage, social media accounts and other technology or software as we determine. You will pay us a monthly fee which as of the date of this Disclosure Document is $260 per month but is subject to change upon notice and commences about one to two months after signing your Franchise Agreement. You will also pay a percentage of each sale automatically to Stripe. We may change any required hardware and software requirements upon notice to you.

You will also be required to have Momence software or our then current registration software. You will pay the vendor the then current fee which is currently $300 per month. You will commence paying for this software one to two months after signing your Franchise Agreement.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates to your Computer System or any software used. The initial cost of your Computer System is $0 to $1,500 and you must upgrade or update your Computer System when we determine which we estimate to cost $1,000 annually. There is no contractual limit on the frequency or cost of this obligation.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Operations Manual

See Exhibit F for the table of contents of our Operations Manual as of the date this Disclosure Document, with the number of pages devoted to each subject. The Manual has 147 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Franchisee Owner Training	32 hours	0 hours	Orange County, California, at another location we designate,

			your School or virtual
Instructor Training	19 hours	0 hours	Orange County, California, at another location we designate, your School or virtual
Program Manager Training	17 hours	0 hours	Orange County, California, at another location we designate, your School or virtual
TOTALS:	**68 hours**	**0 hours**	

The initial training program will be scheduled in accordance with the needs of new franchisees. The Principal Executive (as defined in Item 15), managers, instructors and any team member that will be leading classes must attend training. An additional business-type manager is highly recommended to attend training as well. Training classes can be held virtually at our location in Orange County, California. We may provide all or a portion of the training virtually. The instruction materials consist primarily of our Operations Manual, our proprietary curriculum and other materials. The initial training program will be led by Britton Lunde and Mahri Lusby. Britton Lunde has over a decade of experience in the new mom class industry and has been our Instructor Training Manager for just under one year. Mahri Lusby has been our Franchise Operations Manager for a little under a year and has over five years of experience in industry, having served as a Program Director for a New Mom School location in California. Other team members will have extensive experience in postnatal education as well as experience teaching for and/or management of a New Mom School affiliate location. You will complete training, both virtually and in person. The virtual training is broken into small segments and the in-person training is approximately two days. You will also be responsible for paying the travel and living expenses for you, your employees and all those who attend training.

You must complete training to our satisfaction at least two weeks before opening your School. You will pay us the Franchisee Training and Onboarding Fee at the time you sign you Franchise Agreement. Should you fail to pass the test or complete the initial training, we have the right to terminate the franchise agreement without refunding the Initial Franchise Fee.

If you send an instructor to our training program at any point during the term of the Franchise Agreement, you will pay the Instructor Training Fee of $550 per instructor. If you send a program manager to our training program at any point during the term of the Franchise Agreement, you will pay the Program Manager Training Fee of $750 per program manager. You are responsible for your personnel's travel, food, lodging and other expenses incurred in connection with attending training. If you request onsite training be conducted at your School, we will charge you our then current onsite additional training fee which is $2,500 per training plus expenses for training materials, travel, food, lodging and other expenses incurred by our onsite support team. We can change this fee during the term of your Franchise Agreement, but it will increase no more than 5% per year and will not exceed $3,500 per training during the term of your Franchise Agreement.

Your School must at all times be under your on-site supervision or under the on-site supervision of a person who has completed our training program. If you hire new instructors, you must send those individuals to our next scheduled training class or such other training class as we may require. We may offer additional or refresher training courses from time to time. Some of these courses may be mandatory, and some may be optional.

Item 12
TERRITORY

Grant of Territory

Your School will be located at a single site at a specific location to be approved by us, which must meet our standards and specifications. Your Franchise Agreement will specify a territory, which will be determined by us ("Territory"). Your Territory will generally be comprised of a population of approximately 75,000 people aged 25 to 40. We may use a lesser population base in urban areas with significant density. Your territory will be delineated by an area around your School or by geographical boundaries, zip codes, political boundaries, streets, geographical features or trade area, depending on the density and demographics of the population of the area around your School.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your School, and we have no obligation to approve any request for relocation. Our policy is to approve the relocation of a franchisee's New Mom School on case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control. We may waive any relocation fee if the relocation is due to no fault of Franchisee.

You do not have the right to establish additional New Mom School franchised businesses unless you sign a MUDA. If we approve you to enter into a MUDA, then you will have the right to establish a mutually agreed number of additional Schools within the Development Area based on the Development Schedule. Under the MUDA, your right to develop additional Schools is subject to (1) you must comply with the Development Schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional School, (3) you must be in compliance with all brand requirements at all Schools you operate, and

(4) you must not be in default under any other agreement with us. We will approve the location of each School based on our then current site selection standard, within your Development Area and determine the Territory for each School. If you do not meet your Development Schedule in the MUDA, we have the right to terminate your MUDA. Under the MUDA, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Under the MUDA, the developer will receive a Development Area and neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of New Mom Schools within the Development Area during the term of the MUDA, except the franchises that are granted to the developer pursuant to the MUDA and except as otherwise expressly provided in the MUDA. We have the right to terminate the protection if the developer is not in full compliance with all of the terms and conditions of the MUDA and all of the Franchise Agreements signed under it. Your territorial rights may not, in our discretion, include the right to develop New Mom Schools at any Non-Traditional Sites.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises. If you wish to develop additional New Mom Schools, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees.

Territory Protection

In your Territory, we will not establish either a company-owned, affiliate-owned, or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a New Mom School. The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or other contingency. There are no circumstances that permit us to modify your territorial rights.

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

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from consumers inside your Territory. We reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Territory using our Marks or using trademarks different from the ones you will use under your Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your Territory.

We have the right to operate a New Mom School branded business at a trade show booth or similar "pop-up" location in your Territory and the right to open New Mom Schools at non-traditional sites in your Territory including, without limitation military bases, hotels, college

campuses, airports, train stations, hospitals, travel plazas, casinos, and sports or entertainment venues or stadiums ("Non-Traditional Sites").

Soliciting by You Outside Your Territory

The Territory described above will affect where you and other franchisees may solicit business. You may not offer any services or products outside your Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Territory without prior written authorization from us, including Internet marketing, postcards, letters, fliers, emails, or other marketing communications. However, there are no restrictions on you from accepting orders from consumers outside of your Territory.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the Franchise Agreement does not prohibit us from doing so.

Item 13
TRADEMARKS

Principal Trademark

The following are the principal trademarks that we will license to you in your Franchise Agreement. These trademarks are owned by our founder, Alexandra Spitz. The trademark THE NEW MOM SCHOOL is registered on the Principal Register of the United States Patent and Trademark Office and an application is pending to register the trademark, GATHER IN GLOW and our logo mark on the Principal Register of the United States Patent and Trademark Office as follows:

Trademark	Registration Date	Registration Number
THE NEW MOM SCHOOL	**February 28, 2023**	**6988880**
	**December 17, 2024**	**7605384**
GATHER IN GLOW	**August 26, 2025**	**7922775**
	**October 28, 2025**	**7998960**

Trademark	Application Date	Serial Number
BUMPS & BAGELS	**December 21, 2025**	**99560002**

Because we do not yet have federal registrations for the Bumps & Bagels mark referenced above as of the date of this Disclosure Document, this trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternate trademark, which may increase your expenses.

We have not needed to renew our registration yet and intend to file when due all required declarations and affidavits. There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings or any pending material litigation involving the Marks that is relevant to your ability to use the Marks in connection with your School.

The trademarks listed above are owned by our founder and CEO Alexandra Spitz. Pursuant to a license agreement between us and our CEO, we have the exclusive right to license the use of the trademarks to others within the United States. The license granted to us by Alexandra Spitz is perpetual and can only be terminated if we misuse the trademarks or willfully allow our franchisees to misuse the trademarks. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your School which may increase your expenses. Other than the license agreement with our CEO, there are no agreements that limit our right to use or license the use of the trademarks.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described in this section.

The Franchise Agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving the Marks licensed by us to you.

If you use our Marks in accordance with the Franchise Agreement, then (i) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the Marks, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the Franchise Agreement, we may require you to modify or discontinue using the Marks, at your expense. We reserve the right to substitute different Marks for use in identifying

the system and the businesses operating as part of the system if our current Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Marks will be beneficial to the system. In such cases, you must implement and use such different Marks at your cost and in the manner we require. If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We have no obligation to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your School for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operations Manual as well as all other sales, training, management, curriculum, and other materials that we have created or will create. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for your School. You may use these items only as we specify while operating your School and you must stop using them if we direct you to do so.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The Franchise Agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may

require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operations Manual and related materials that include guidelines, standards and policies for the development and operation of your School. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the school, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Operations Manual and other proprietary information, and you must use our confidential information only for your School. Certain individuals with access to trade secrets or other confidential information, including your shareholders, officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your Manager(s), executives, employees, agents, independent contractors, consultants and staff are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Confidentiality and Non-Disclosure Agreement attached as Exhibit 6 to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

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

Your Participation

You are not required to participate personally in the direct operation of your School. However, we recommend that you participate.

You must designate one person as your "Principal Executive." The Principal Executive is the executive primarily responsible for your School and has decision-making authority on behalf of the franchisee. The Principal Executive must own at least 20% of the voting and ownership interests of the franchisee entity. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your School is owned by an entity, all owners of the franchisee must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to the Franchise Agreement).

School Supervision

You are not required to personally conduct business supervision of your School if you have a full-time Manager as defined below. If you do not have a full-time Manager, you or your Principal Executive will be required to step into the business supervisory role for the required time your Manager is not completing these tasks. However, we strongly recommend supervision by you and encourage 60 hours a week for a successful launch.

You are required to hire a program manager who devotes his or her productive and full-time or part-time attention and effort to the management and operation of the School (the "Manager") and will assist your Principal Executive in the day-to-day operations. Your Manager must be approved by us in advance. We do not require that the Manager own a specified percentage of equity in your entity, but we recommend that they hold an interest as best practices. You must keep us informed at all times of the identity of the Manager of your School. Your Principal Executive, Manager, instructors and other personnel must meet all training requirements before opening. Should you desire to replace your Principal Executive or Manager, the new Principal Executive or Manager must (a) be approved by us; and (b) complete the training program prescribed by us to our satisfaction prior to assuming his or her responsibilities.

Instructors

You are responsible for hiring all your instructors for your School. All instructors must be approved by us and satisfactorily complete all required training including the initial training program. If you hire a replacement instructor, he/she (a) be approved by us; and (b) complete the training program prescribed by us to our satisfaction prior to assuming his or her responsibilities.

Restrictions on Your Manager

If we request, you must have your Manager and other staff sign a confidentiality and non-compete agreement. We will also require that your Manager attend and successfully complete our training program, which we may charge your our then current additional training fee.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved and not offer any goods or services we have disapproved. We may take action, including terminating your Franchise Agreement, if you purchase or sell unapproved products or services or make purchases from unapproved suppliers.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes. We do not restrict your access to customers, except that all class registration sales must be made through our current registration software or another system we designate to sell merchandise.

Franchisee is permitted to sublease an interior office space in its New Mom School to a lactation consultant and not to any other practitioner. Franchisee shall not use assets of its School

for any purpose other than the School. The rent collected by Franchisee for a lactation consultant as a subleasee shall not be included in Gross Sales of the New Mom School business. Franchisee shall be permitted to hold events at the New Mom School location so long as they are preapproved by Franchisor and are complementary to a New Mom School as determined in Franchisor's reasonable discretion. All sales or revenue generated due to an event held at the New Mom School location shall be included in Gross Sales for the New Mom School.

Franchisee shall generally determine its own prices; provided however, that, to the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for services and products that your School will offer, including without limitation, ranges or prices, tiered pricing, or for promotions in which all or certain of our franchisees must participate. If we establish such prices for any services or products, you cannot exceed or reduce that price but will charge the price for the service or product that we establish subject to applicable law and restrictions. You will apply any pricing matrix or schedule established by us. Franchisee shall honor any customer loyalty programs and promotions implemented by Franchisor.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement or other Agreements	Summary
a. Length of the franchise term	Franchise Agreement (FA): § 3.1 Multi-Unit Development Agreement (MUDA): Not Applicable	10 years from date of Franchise Agreement.
b. Renewal or extension of the term	FA: § 3.2 MUDA: Not Applicable	You may obtain two successor franchise agreement renewals for 5-year terms each. You must pay the renewal fee of 25% of the then current Initial Franchise Fee. If you do not meet the conditions, we may refuse to renew or extend the terms of your Franchise Agreement. These provisions are subject to state law.

Provision	Section in Franchise Agreement or other Agreements	Summary
c. Requirements for franchisee to renew or extend	FA: §§ 3.2, 18.10 MUDA: Not Applicable	For our franchise system, "renewal" means that at the end of your term, you may sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law) and pay a renewal fee of 25% of the then current Initial Franchise Fee. If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 5-year term.
d. Termination by franchisee	FA: § 14.1 MUDA: § 5	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. These provisions are subject to state law and a franchisee may terminate under any grounds permitted by law. If you sign a MUDA, you may terminate it at any time.
e. Termination by franchisor without cause	Not Applicable	

Provision	Section in Franchise Agreement or other Agreements	Summary
f. Termination by franchisor with cause	FA: § 14.2 MUDA: § 4	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity. These provisions are subject to state law. If you sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA. These provisions are subject to state law.
g. "Cause" defined--curable defaults	FA: § 14.2 MUDA: Not Applicable	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure). These provisions are subject to state law.
h. "Cause" defined--non-curable defaults	FA: § 14.2 MUDA: § 4	FA: Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our business inspection; cease operations for more than 5 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to a felony, or commission or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. These provisions are subject to state law. MUDA: failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it. If you

Provision	Section in Franchise Agreement or other Agreements	Summary
		sign a Multi-Unit Development Agreement, termination of your MUDA does not give us the right to terminate your franchise agreement. However, if your franchise agreement is terminated, we have the right to terminate your MUDA. These provisions are subject to state law.
i. Franchisee's obligations on termination/non-renewal	FA: §§ 14.3 – 14.6 MUDA: Not Applicable	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	FA: § 15.1 MUDA: § 7	Unlimited. These provisions are subject to state law.
k. "Transfer" by franchisee - defined	FA: Article 1 MUDA: Background Statement	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	FA: § 15.2 MUDA: § 8	No transfers without our approval. Approval shall not be unreasonably withheld.
m. Conditions for franchisor's approval of transfer	FA: § 15.2 MUDA: Article 8	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; pay transfer fee, buyer completes training program; you sign a general release; business complies with then-current system

Provision	Section in Franchise Agreement or other Agreements	Summary
		specifications (including remodel, if applicable). These provisions are subject to state law.
n. Franchisor's right of first refusal to acquire franchisee's business	FA: § 15.5 MUDA: Not Applicable	If you want to transfer your business (other than to your co-owner or your spouse, sibling, or child), we have a right of first refusal that we must exercise within thirty (30) days after receipt of the offer. These provisions are subject to state law.
o. Franchisor's option to purchase franchisee's business	FA: §14.6 MUDA: Not Applicable	When the Franchise Agreement expires or is terminated, Franchisor has the right but not the obligation to purchase any or all of the assets related to the School, and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee no later than thirty (30) days after the Franchise Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the fair market value of the assets. These provisions are subject to state law.
p. Death or disability of franchisee	FA: §§ 2.4, 15.4 MUDA: Not Applicable	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	FA: § 13.2 MUDA: Not Applicable	Neither you, any owner of the business, or any spouse of an owner may have an ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor. These provisions are subject to state law.

Provision	Section in Franchise Agreement or other Agreements	Summary
r. Non-competition covenants after the franchise is terminated or expires	FA: § 13.2 MUDA: Not Applicable	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by any business which engages in, owns, is affiliated with or operates a business featuring schools or instructional sessions for pregnant mothers and mothers of newborn children including without limitation producing materials on that topic or engaging in a business similar that is located within twenty-five miles of your former territory or the territory of any other New Mom School location operating on the date of termination. These provisions are subject to state law.
s. Modification of the agreement	FA: § 18.4 MUDA: § 8	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	FA: § 18.3 MUDA: § 9	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, nothing in the franchise agreement (or MUDA) is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	FA: § 17.1 MUDA: § 8	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	FA: §§ 17.1; 17.5 MUDA: § 8	Arbitration in Orange County, California (subject to applicable state law). Any legal proceedings not subject

Provision	Section in Franchise Agreement or other Agreements	Summary
		to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	FA: § 18.8 MUDA: § 8	Subject to applicable state law, Texas law applies; except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States.

For additional disclosures required by certain states, refer to Exhibit H - State Addenda to Disclosure Document.

Item 18
PUBLIC FIGURES

As of the issue date of this Disclosure Document, 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.

Presented below is the actual historic financial information of one New Mom School which became franchised owned in April 2024 and was previously owned by our now dissolved affiliate company, The New Mom School, Inc., and is located in Costa Mesa "Newport", California (the

"Newport School"). Additionally, we have presented the distribution of monthly Gross Sales for 19 franchised New Mom Schools (collectively the "Franchised New Mom Schools") during the presale period and for the first 12 months following opening.

Table I below represents the Gross Sales for the Newport School from January 1, 2021 to December 31, 2021 (the "2021 Measurement Period"), the Gross Sales from January 1, 2022 to December 31, 2022 (the "2022 Measurement Period"), the Gross Sales from January 1, 2023 to December 31, 2023 (the "2023 Measurement Period"), the Gross Sales from January 1, 2024 to December 31, 2024 (the "2024 Measurement Period") and the Gross Sales from January 1, 2025 to December 31, 2025 (the "2025 Measurement Period").

Table I

The Newport School[2]	2021 Measurement Period	2022 Measurement Period	2023 Measurement Period	2024 Measurement Period	2025 Measurement Period
Gross Sales[3]	$406,092.58	$428,337.70	$461,286.72	$507,213.74	$510,761.59

Table II below presents the distribution of monthly Gross Sales for 19 Franchised New Mom Schools during the presale period and the first 12 full months following each Franchised New Mom School's grand opening, expressed in percentiles, reflecting performance during the initial operating period. "Month 1" represents the first complete calendar month after opening. Sales generated prior to Month 1, including presale and any partial months, are classified as presale. The Newport School is not included, as it was not franchised during its first 12 months of operations and therefore does not reflect a typical opening. Additionally, one New Mom School that closed in 2026 was not included.

Table II

	Presale	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
25th percentile	$11,771	$4,171	$4,540	$4,864	$5,123	$5,274	$5,766	$5,771	$5,415	$8,238	$7,391	$6,776	$10,153
50th percentile	$17,750	$4,430	$7,273	$7,360	$8,681	$7,806	$9,279	$10,454	$9,310	$11,885	$10,001	$9,833	$11,620
75th percentile	$25,054	$7,558	$11,229	$10,874	$11,562	$11,165	$13,503	$11,891	$11,522	$13,996	$13,523	$14,423	$14,363
100th percentile	$36,255	$21,138	$15,950	$16,838	$20,913	$23,730	$20,433	$21,598	$18,085	$20,017	$16,065	$17,480	$20,238
New Mom School Count	19	19	19	19	19	19	17	15	14	13	12	8	5

Table III presents monthly Gross Sales for each Franchised New Mom School during the presale period and the first 12 full months following the Franchised New Mom School's grand opening. "Month 1" represents the first complete calendar month after opening, and Gross Sales generated prior to Month 1, including presale and any partial months, is classified as "presale." Table III includes 19 Franchised New Mom Schools that have opened as of April 1, 2026, including those that have not yet completed 12 full months of operations. As a result, some locations have fewer reported months. No franchised locations meeting these criteria have been excluded, and the data has not been adjusted or normalized. The Newport School is not included, as it was not franchised during its first 12 months of operation and therefore does not reflect a typical franchised opening. Additionally, one New Mom School that closed in 2026 was not included.

Table III

Location	Presale	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
East Nashville	$18,747	$4,331	$12,989	$10,254	$8,681	$7,623							
St. Louis	$17,650	$7,050	$10,818	$8,360	$20,913	$13,163							
Aliso Viejo	$35,976	$4,198	$11,133	$4,878	$11,268	$19,115	$20,433						
Liberty Station	$24,981	$9,178	$11,325	$14,501	$10,714	$12,218	$13,858						
South Bay (Norcal)	$32,425	$21,138	$15,950	$16,838	$17,693	$23,730	$18,273	$21,598					
Greenville	$9,435	$2,143	$3,158	$1,650	$2,350	$4,400	$2,875	$1,350	$4,450				
Southwest Las Vegas	$10,323	$4,090	$5,340	$5,620	$4,415	$5,020	$8,120	$14,770	$11,487	$13,222			
Yorba Linda	$23,426	$8,066	$9,913	$7,360	$14,042	$8,290	$11,438	$12,708	$10,113	$11,360	$16,065		
Lake Oswego	$17,750	$3,968	$11,940	$10,973	$9,873	$10,795	$9,279	$11,000	$18,085	$16,843	$13,505		
Westport	$17,810	$5,480	$4,348	$7,335	$6,373	$7,806	$5,766	$4,093	$13,681	$13,996	$10,878		
Shrewsbury	$15,585	$6,967	$4,968	$6,924	$5,573	$2,520	$9,601	$11,074	$5,429	$7,308	$7,588		
Westlake Village	$13,395	$4,430	$7,273	$7,525	$10,225	$7,984	$16,930	$11,049	$9,845	$20,017	$12,382	$13,478	
Charleston	$7,450	$3,248	$2,695	$1,325	$2,713	$3,650	$325	$2,113	$5,150	$6,943	$4,818	$7,281	
Encinitas	$36,255	$10,100	$13,500	$12,368	$12,978	$9,291	$13,503	$15,415	$16,533	$14,505	$13,577	$17,480	
Ballantyne	$13,220	$4,225	$3,450	$4,850	$5,470	$5,873	$2,723	$2,932	$4,768	$8,238	$5,931	$6,608	$9,432
Katy	$3,120	$4,231	$4,733	$3,450	$2,135	$5,718	$6,511	$10,454	$11,533	$11,885	$6,801	$6,400	$14,363
Los Alamitos	$26,235	$9,433	$5,901	$12,625	$11,856	$11,534	$13,116	$10,175	$8,775	$13,632	$16,007	$17,258	$20,238
Gilbert	$25,128	$6,393	$8,023	$10,775	$7,670	$5,528	$7,243	$8,095	$8,465	$11,498	$8,203	$12,386	$10,153
Rancho Cucamonga	$8,402	$4,145	$2,003	$995	$4,775	$4,313	$4,770	$7,450	$5,410	$2,150	$9,125	$6,833	$11,620

Explanatory Notes:

1. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

2. The Newport School has been operating on a full-time basis since 2012 offering services and products substantially similar to the services and products that will be offered by you at your School and became franchised owned in April 2024. The Newport School's financial information includes from when it was affiliate-owned during the 2021 Measurement Period, the 2022 Measurement Period and the 2023 Measurement Period. From January 1, 2024 to April 4, 2024 the Newport School was also affiliate-owned. The Newport School became franchised owned on April 5, 2024 and contains financial information from April 5, 2024 to December 31, 2024 and from January 1, 2025 to December 31, 2025. The Newport School is larger than that required for franchisees at 2,000 square feet. It has two classrooms and offers a toddler class that may not be available to all franchisees depending on the size of the franchisee's school. There are no other operations characteristics that differ from the New Mom School you will operate.

3. "Gross Sales" represents the actual gross sales amounts from the sale of all products and services at the Newport School and Franchised New Mom Schools for the given measurement period.

4. Written substantiation of all financial information presented in this financial performance representation will be made available to you upon reasonable request.

Other than the above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our CEO Alexandra Spitz, The New Mom School Franchising, LLC, 24672 Royale Ridge, Laguna Niguel, California 92677, (310) 560-3939, alex@newmomschool.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION
Table 1
Systemwide Outlet Summary
For Years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	2	+2
	2025	2	21	+19
Company-Owned	2023	1	1	0
	2024	1	0	-1
	2025	0	0	0
Total Outlets	**2023**	**1**	**1**	**0**
	2024	**1**	**2**	**+1**
	2025	**2**	**21**	**+19**

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	**2023**	**0**
	2024	**0**
	2025	**0**

Table 3
Status of Franchised Outlets
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
California	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	7	0	0	0	0	9
Connecticut	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Missouri	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Nevada	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
New Jersey	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
North Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Oklahoma	2023	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Oregon	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
South Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Texas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**2**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**19**	**0**	**0**	**0**	**0**	**21**

Table 4
Status of Company-Owned Outlets
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
California	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
	2025	0	0	0	0	0	0
Total	**2023**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**1**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

Table 5
Projected Openings as Of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	6	3	0
Colorado	1	2	0
Connecticut	1	1	0
Florida	1	3	0
Georgia	1	1	0
Idaho	0	1	0
Illinois	0	3	0
Indiana	0	1	0
Kansas	0	2	0

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Maryland	0	2	0
Massachusetts	0	2	0
Michigan	0	1	0
Minnesota	0	1	0
New Jersey	1	2	0
New York	0	2	0
North Carolina	1	0	0
Ohio	0	2	0
Pennsylvania	1	1	0
Tennessee	1	0	0
Texas	2	3	0
Virginia	0	1	0
Total	**16**	**35**	**0**

Current Franchisees

Exhibit G contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit G contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

Exhibit E contains our audited financial statements as of December 31, 2023, December 31, 2024 and December 31, 2025 as dated March 30, 2026. Our fiscal year end is December 31.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with Exhibits)
C. Multi-Unit Development Agreement
D. Form of General Release
I. State Addenda to Agreements

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this Disclosure Document are attached as the last two pages of this Disclosure Document.

EXHIBIT A TO DISCLOSURE DOCUMENT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677	Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Banking Commissioner Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 061031800 (860) 240-8299	
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 335-7567	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Ave., Dept. 401 Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Insurance Commissioner 600 East Boulevard Ave., Dept. 401 Bismarck, ND 58505-0510 (701) 328-2910
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
Wisconsin	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	**Franchisee**	_____
2.	**Initial Franchise Fee**	$45,000
3.	**Development Area**	_____
4.	**School Location**	_____
5.	**Territory**	_____
6.	**Opening Deadline**	_____
7.	**Principal Executive**	_____
8.	**Franchisee's Address**	_____

FRANCHISE AGREEMENT

This Agreement is made between The New Mom School Franchising, LLC, a Texas Limited Liability Company ("Franchisor"), and Franchisee effective as of the _____day _____, 20____ (the "Effective Date").

Background Statement:

A. Franchisor has created and owns a system (the "System") for developing and operating a New Mom School business.

B. The System includes (1) methods, procedures, and standards for developing and operating a New Mom School business, (2) plans, specifications, equipment, signage and trade dress for a New Mom School business, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory and recommended methods of operation as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate one New Mom School on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of goods or services which has been approved by Franchisor.

"**Business**" means the business owned by Franchisee and operated under this Agreement, including without limitation the School.

"**Competitor**" means any business which engages in, owns, is affiliated with or operates a business featuring schools, instructional sessions, social gatherings, groups, classes for pregnant mothers, mothers of children from newborn to 12 months whether held in person or virtually including without limitation producing materials on that topic or engaging in a business similar thereto. A Competitor shall not include individual one-on-one sleep consultant services or individual one-on-one therapy sessions for pregnant mothers and mothers of newborn children.

"**Confidential Information**" means all non-public information of or about the System and any New Mom School, including all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through your School for a given period, including, but not limited to, payment for any services or products sold by you including gift cards when purchased, whether for cash or credit or debit card, barter exchange, trade credit

or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your School. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected from customer and paid to the appropriate taxing authority, (iii) sale of used equipment not in the ordinary course of business, or (iv) the redemption of any gift card.

"**Location**" means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1 of this Agreement.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Franchisor's confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Marketing Fund**" means the fund established by Franchisor into which Marketing Fund Contributions are deposited.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use to identify or in connection with Franchisor's business or associated with Franchisor or its affiliates.

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"**Remodel**" means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new New Mom School location.

"**Required Vendor**" means a supplier, vendor, or distributor of products or services which Franchisor requires franchisees to use.

"**School**" means the school operated under this Agreement at the Location approved by Franchisor.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving

systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), and uniforms.

"**Territory**" means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1 of this Agreement.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate one New Mom School only at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1 of this Agreement. Franchisee shall develop, open and operate a New Mom School at the Location for the entire term of this Agreement and any renewals thereof.

2.2 Protected Territory. During the term of this Agreement and any renewals thereof**,** Franchisor agrees not to itself establish, or license or franchise the establishment of, another school within the Territory selling the same or similar goods or services under the same trademarks or service marks as a New Mom School. Franchisor retains the right to:

(i) establish and license others to establish and operate New Mom School locations and businesses outside the Territory, notwithstanding their proximity to the Territory or their impact on the School;

(ii) operate and license others to operate businesses anywhere that do not operate under New Mom School Marks; and

(iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than New Mom School schools.

2.3 Franchisee Control. Franchisee represents that Exhibit 1 to this Agreement (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Exhibit 1 changes that does not constitute a Transfer, Franchisee shall notify Franchisor within ten (10) days of such change.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 20% ownership interest in Franchisee. You are required to hire a program manager who devotes his or her productive and full-time or part-time attention and effort to the management and operation of the School (the "Manager") and will assist your Principal Executive in the day-to-day operations. If you do not have a full-time Manager, you or your Principal Executive will be required to step into the business supervisory role for the required time your Manager is not

completing these tasks. However, we strongly recommend supervision by you and encourage 60 hours a week for a successful launch. Your Manager must be approved by us in advance. We do not require that the Manager own a specified percentage of equity in your entity, but we recommend that they hold an interest as best practices. You must keep us informed at all times of the identity of the Manager of your School. Your Principal Executive, Manager, instructors and other personnel must meet all training requirements before opening. Should you desire to replace your Principal Executive or Manager, the new Principal Executive or Manager must (a) be approved by us; and (b) complete the training program prescribed by us to our satisfaction prior to assuming his or her responsibilities. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor's approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Exhibit 3 to this Agreement.

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for ten (10) years.

3.2 Successor Agreement. When the Initial Term of this Agreement expires, Franchisee may enter into two successor franchise agreements for additional periods of five (5) years each (the "Renewal Term"), subject to the following conditions prior to the expiration of the Initial Term and each Renewal Term:

(i) Franchisee notifies Franchisor of the election to renew between ninety (90) and one hundred eighty (180) days prior to the end of the Initial Term and each Renewal Term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor and any of its affiliates at the time of election and at the time of renewal;

(iii) Within a period of time acceptable to Franchisor, Franchisee has made or makes renovations and changes to the Location as Franchisor requires, including without limitation a Remodel, to conform to Franchisor's then-current System Standards;

(iv) Franchisee and its Owners execute Franchisor's then-current form of franchise agreement and related documents, which may be materially different than this Agreement including, without limitation, higher and different fees;

(v) Franchisee and each Owner executes a general release of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees; and

(vi) Franchisee pays a renewal fee equal to 25% of the then current Initial Franchise Fee.

ARTICLE 4.

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable. This Agreement will not become effective or binding until all parties have signed this Agreement and the Franchisor has received the initial franchise fee.

4.2 Franchisee **Training and Onboarding Fee**. Upon signing this Agreement, you will pay us a one-time fee of $15,000 as a franchisee training and onboarding fee (the "Franchisee Training and Onboarding Fee"). The Franchisee Training and Onboarding Fee covers the costs associated with your onboarding before your School opens for business, including administrative support, initial training coordination, technology setup, and other pre-opening resources designed to ensure a smooth and efficient launch of your School. It further provides our oversight and support in connection with the development and opening of your School, which will include assistance with construction and buildout coordination, strategic planning for market entry, marketing support, assistance with event coordination, promotional material design, and guidance related to your initial local outreach efforts. This investment provides franchisees with the foundational tools and guidance necessary to establish a successful New Mom School location. It includes in-person and virtual training sessions, curriculum guidance, operational best practices, and support in key areas such as sales, customer experience, and business management. The Franchisee Training and Onboarding Fee ensures franchisees are fully equipped with the knowledge and skills necessary to run a thriving New Mom School. Your expenses for your travel, food, lodging and other expenses incurred by you are not included in the Franchisee Training and Onboarding Fee and are your responsibility. The Franchisee Training and Onboarding Fee is non-refundable.

4.3 Extension Fee. You are required to open your School within nine months of signing your Franchise Agreement. If you sign a MUDA, you are required to open a pre-determined number of Schools according to your Development Schedule. If you request or we deem it necessary to grant you an extension to the deadline to open your School, you will pay us $1,000 for each 30-day extension period we grant you (the "Extension Fee"). The Extension Fee is nonrefundable.

4.4 Royalty Fee. Franchisee shall pay Franchisor a monthly royalty fee (the "Royalty Fee") which is the greater of seven percent (7%) of Gross Sales or (i) $500 per month during the first year of this Agreement, (ii) $1,000 per month during the second year of this Agreement, (iii) $1,500 per month during the third year of this Agreement, and (iv) $2,000 per month for each year of this Agreement thereafter. The Royalty Fee for any month shall be paid in the immediately following month by the day designated by Franchisor in the Manual or otherwise in writing. The Royalty Fee will become due in the month after Gross Sales are earned by the Franchisee.

4.5 Marketing Contributions.

(a) Marketing Fund Contribution. Franchisee shall pay Franchisor a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to the greater of two percent (2%) of Franchisee's monthly Gross Sales or $400 per month for any marketing fund that is in effect at the same time as the Royalty Fee is paid. The Marketing Fund Contribution shall commence upon the franchisee entering into a lease for its School location.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales as determined by majority vote of the Market Cooperative.

4.6 Instructor Training Fee. You will pay us $550 per instructor for each instructor that completes our instructor training program at any point during the term of this Agreement (the "Instructor Training Fee"). The Instructor Training Fee covers the cost of our instructor certification and training curriculum. You are responsible for your instructors' travel, food, lodging and other expenses incurred in connection with attending the instructor training program. The Instructor Training Fee is non-refundable.

4.7 Program Manager Training Fee. You will pay us $750 per program manager for each program manager that completes our program manager training program at any point during the term of this Agreement (the "Program Manager Training Fee"). The Program Manager Training Fee covers the cost of our program manager certification and training curriculum. You are responsible for your program manager's travel, food, lodging and other expenses incurred in connection with attending the program manager training program. The Program Manager Training Fee is non-refundable.

4.8 Non-Compliance Fee. Franchisor may charge Franchisee One Thousand Dollars ($1,000) for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Franchisor) which Franchisee fails to cure after thirty (30) days' notice. Franchisor may also charge Franchisee for its costs incurred if in the exercise of its discretion it determines that travel to Franchisee's location is appropriate. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Franchisor's other rights and remedies (including default and termination under Section 14.2 of this Agreement).

4.9 Curing Non-Compliance. Franchisor may in its reasonable discretion cure any instance of non-compliance by Franchisee with a requirement of this Agreement and Franchisee shall pay Franchisor's cost incurred in curing the non-compliance and an administrative fee of ten percent (10%) of such costs.

4.10 Special Inspection Fee. Franchisor may charge its reasonable out-of-pocket expenses incurred if Franchisor inspects the Location because of a government report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.

4.11 Reimbursement. Franchisor may, but has no obligation to, pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to

do so, Franchisee shall pay the amount paid by Franchisor plus a ten percent (10%) administrative charge to Franchisor within fifteen (15) days after invoice by Franchisor accompanied by reasonable documentation.

4.12 Payment for Products, Supplies and other items supplied by Franchisor. Franchisee shall pay Franchisor or its affiliate for any products, supplies or other items supplied to Franchisee, according to the terms and conditions of the invoices for same.

4.13 Method of Payment and Reporting.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to Franchisor by pre-authorized bank draft, per transaction, on a periodic or monthly basis, or in such other manner as Franchisor may require. Franchisee shall comply with Franchisor's payment instructions. If Franchisor elects to have payments made by pre-authorized bank draft, Franchisee shall execute the authorization attached to this Agreement as Exhibit 4. The Royalty Fee and other payments owed to Franchisor through our registration software and shall be paid by You on the 5th of the month for the Gross Sales from the previous month. We reserve the right to change the time and manner of any payment at any time upon written notice to you.

(b) Calculation of Fees. Franchisor will have access to Franchisees Gross Sales through the registration software and will calculate its Royalty Fees and Marketing Fund Contributions each month on a day designated by Franchisor. Franchisee will make all required payments to us through our registration software unless advised otherwise.

(c) Late Fees and Interest. If Franchisee does not make a payment by the due date, Franchisee shall pay a late fee of One Hundred Dollars ($100) plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge Seventy-Five Dollars ($75) for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may reasonably determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

4.14 Management Fee. If we agree to take over your School upon your or your Principal Executive death or disability, upon a default, or abandonment of your School, you agree to pay our expenses plus an administrative fee of 10% of Gross Sales above the other fees due to us (the

"**Management Fee**"). The Management Fee will only be charged when we, one of our employees, or a third party appointed by us, actively control(s) the day-to-day management of your School. The Management Fee shall be paid at the same time as Royalty Fees and all other fees due to us. We have no obligation to you to manage your School upon default or abandonment, but we reserve this right in our sole discretion.

ARTICLE 5. FRANCHISOR'S ASSISTANCE

5.1 Pre-Opening Assistance

Franchisor agrees to provide the following assistance to Franchisee before Franchisee commences operation of the Business:

(a) Location. Franchisor shall provide Franchisee with its criteria for New Mom School locations and review information provided by Franchisee regarding proposed location(s) for the Business and approve or disapprove the Location in accordance with Section 6.1 of this Agreement; provided however, that Franchisee acknowledges that Franchisor's approval of a location is not in any way to be construed as guaranty of the performance of the Business at that location;

(b) Territory. Franchisor shall designate a Territory for the franchise in accordance with Section 6.1 of this Agreement.

(c) Pre-Opening Plans, Specifications, and Vendors. Provide Franchisee with a plan for the Franchisee's office with (i) Franchisor's sample set of standard building plans or specifications for recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Franchisor deems appropriate, including without limitation specifications regarding, equipment, computer systems and supplies for use in the Business, supplies and materials, and (iv) Franchisor's lists of Approved Vendors and/or Required Vendors.

(d) Certain Other Specifications. Make available to Franchisee, Franchisor's specifications and approved suppliers for signs, fixtures, equipment, inventory, computer systems, and supplies;

(e) Employees**.** Provide Franchisee with suggested staffing and operational instructions in the Manual or otherwise in writing for training Franchisee's employees; provided however that Franchisee acknowledges that all hiring decisions, terms and conditions of employment and training of Franchisees' employees, remain the sole responsibility of Franchisee. All Managers and instructors must be approved by us and satisfactorily complete all required training including the initial training program. If you hire a replacement manager or instructor, he/she (a) be approved by us; and (b) complete the training program prescribed by us to our satisfaction prior to assuming his or her responsibilities.

(f) Manual. Provide Franchisee with access to, or a copy of, Franchisor's Manual;

(g) Training**.** Make available a virtual initial training program for Franchisee, which must be attended by Franchisee's Principal Executive. In the exercise of its discretion, Franchisor may require training be conducted at Franchisor's headquarters or another location designated by

Franchisor. Upon signing this Agreement, you will pay us the Franchisee Training and Onboarding Fee which includes in-person and virtual training sessions, curriculum guidance, operational best practices, and support in key areas such as sales, customer experience, and business management. Your expenses for your travel, food, lodging and other expenses incurred by you are not included in the Franchisee Training and Onboarding Fee and are your responsibility. The Franchisee Training and Onboarding Fee is non-refundable. If additional training is required or requested, Franchisor may charge Franchisee its then-current additional training fee plus you will incur the costs of your training materials, travel and lodging expenses.

(h) Business Plan. Upon Franchisee's reasonable request, review and provide advice regarding Franchisee's business plan and any financial projections; provided however, that Franchisee acknowledges that Franchisor bears no responsibility for the performance of the Business and that the performance of the Franchisee will depend on many factors beyond Franchisor's control including without limitation Franchisee's business acumen;

(i) Market Introduction Plan. We will assist you with the Market Introduction Program (as detailed in Section 9.7) including assistance with the strategic planning and execution of the Market Introduction Plan, including marketing support, assistance with event coordination, promotional material designs, and guidance on local outreach efforts to maximize community engagement. By providing expert oversight and structured planning, it ensures a strong market entry and successful introduction of the New Mom School brand in your Territory.

5.2 Post-Opening Assistance.

Franchisor agrees to provide the following assistance to Franchisee after Franchisee commences operation of the Business:

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee for such support plus any out-of-pocket expenses such as travel, lodging, and meals for employees providing onsite support;

(b) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required System Standards;

(c) Marketing. Franchisor shall manage the Marketing Fund;

(d) Internet. Franchisor will maintain a website for the New Mom School brand, which will include Franchisee's location or territory and contact information.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisee shall find a potential Location within the Development Area described on the Summary Page. Franchisee shall submit its proposed Location to Franchisor for acceptance, with all related information Franchisor may request. If Franchisor does not accept the proposed Location in writing within thirty (30) days, then the site will be deemed rejected.

(ii) When Franchisor accepts the Location, it will issue a Location Acceptance Letter in the form of Exhibit 2 to this Agreement which will set forth the Location and Territory. Franchisor shall determine and assign Franchisee the Territory in its good faith discretion.

(iii) Franchisor's advice regarding a site or the acceptance of a site is not a representation or warranty that the Business will be successful, and Franchisor shall not be liable to Franchisee with respect to the location of the School.

6.2 Lease. For any lease between Franchisee and the landlord of the Location, Franchisee shall:

(i) upon Franchisor's request, submit the proposed lease to Franchisor for written approval,

(ii) have the term of the lease provide for a period of not less than the Initial Term of this Agreement or any Renewal Term, and,

(iii) use commercially reasonable efforts to obtain the landlord's signature to the conditional assignment of the lease substantially in the form required by Franchisor as shown on Exhibit 5 to this Agreement.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Franchisor's System Standards. If required by Franchisor, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Franchisor's approval of Franchisee's plans. Franchisor may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Franchisor or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the School and Franchisor shall not have any liability with respect thereto. Franchisor's inspection and/or approval to open the School is not a representation or a warranty that the School has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Franchisor's training program for new franchisees to Franchisor's satisfaction by the time designated by Franchisor before opening the School. Franchisee will pay the Franchisee Training and Onboarding Fee for the initial training program upon signing this Agreement.

6.5 Conditions to Opening. Franchisee shall notify Franchisor at least ninety (90) days before Franchisee intends to open the School to the public. Before opening, Franchisee must satisfy all of the following conditions:

(i) Franchisee is in compliance with this Agreement,

(ii) Franchisee has obtained all applicable governmental permits and authorizations,

(iii) the Business and School conform to all applicable System Standards,

(iv) Franchisor has inspected and approved the School and assigned an opening date for the School,

(v) Franchisee's officers and employees have completed all of Franchisor's required pre-opening training; and

(vi) Franchisor has given its written approval to open, which approval will not be unreasonably withheld or delayed.

6.6 Opening Date. Franchisee shall open the School to the public on or before the date stated on the Summary Page.

6.7 Restrictions on Relocation. You may not relocate your School from the Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new New Mom School to their establishment. If we agree to allow you to relocate under specific internal criteria, you shall pay a relocation fee which is currently $2,500. We may waive this fee if the relocation is due to no fault of Franchisee.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the School shall obtain and keep in force all governmental permits and licenses required for the School.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, as from time to time prescribed by Franchisor in the Manual or otherwise in writing, including without limitation products supplied by Franchisor or its affiliate or designated supplier. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Franchisor, Franchisee shall not, without Franchisor's written approval, make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations.

7.4 Prices. Franchisee shall generally determine its own prices; provided however, that, to the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for services and products that your School will offer, including without limitation, ranges or prices, tiered pricing, or for promotions in which all or certain of our franchisees must participate. If we establish such prices for any services or products, you cannot exceed or reduce that price, but will charge the price for the service or product that we establish subject to applicable

law and restrictions. You will apply any pricing matrix or schedule established by us. Franchisee shall honor any customer loyalty programs and promotions implemented by Franchisor.

7.5 Personnel.

(a) Management. Franchisee's School must at all times be under the on-site supervision of the Principal Executive or a Manager who has completed Franchisor's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress, attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee. All managers and instructors must be approved by us and satisfactorily complete all required training including the initial training program. If you hire a replacement manager or instructor, he/she (a) be approved by us; and (b) complete the training program prescribed by us to our satisfaction prior to assuming his or her responsibilities.

(e) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be deemed to be an agent or employee of Franchisor. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. Franchisor may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all related travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1 of this Agreement, Franchisee shall acquire and use all software and related systems required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Franchisor. Currently, we require you to use our approved vendor for registration software which uses Stripe as its payment processing software to manage class schedules and collect registrations. You may be required to use certain accounting and marketing software that we require. You are required to have QuickBooks Online and any other

software we advise during the term of this Agreement. You will pay us a monthly technology fee which is currently $260 for the use and access to certain technology including one email address, Canva, Digital Stack, DelighTree, Gsuite, website subpage, social media accounts and other technology or software as we determine (the "Technology Fee"). You will pay the monthly cost of the Technology Fee about one to two months after signing the Franchise Agreement. The Technology Fees are non-refundable and subject to change upon notice to you but will not increase to more than $1,500 per month. You will also pay a percentage of each sale automatically to Stripe. You will also be required to have Momence software or our then current registration software. You will pay the vendor the then current fee which is currently $300 per month. You will commence paying for this software one to two months after signing your Franchise Agreement.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Franchisor may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses incurred thereby.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, including without limitation a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs. Franchisor may set minimum scores that Franchisee must receive from the public on social media and internet review sites such as Yelp or Google.

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another New Mom School business. As of the date of this Agreement, the franchisee who sells the gift card shall be the franchisee that receives the revenue from the gift card and the gift card is included in Gross Sales as of the date of purchase by the customer. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. Franchisee shall at all times keep the School in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the School as

Franchisor may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Franchisor may require Franchisee to undertake and complete a Remodel of the Location to Franchisor's satisfaction. Franchisee must complete the Remodel in the time frame specified by Franchisor. Franchisor may require the Franchisee to submit plans for Franchisor's reasonable approval prior to commencing a required Remodel. Franchisor's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term, except that a Remodel may be required as a condition to renewal of the term or a Transfer, and (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any national or regional brand conventions.

7.15 Insurance.

(a) Franchisee shall use Franchisor's designated insurance agency as set forth in the Manual or otherwise in writing to obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual. If not specified in the Manual, Franchisee shall at least maintain the following insurance coverage:

(i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the School, for full repair and replacement value subject to a reasonable deductible;

(ii) Business interruption insurance covering at least 12 months of income;

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(iv) Workers Compensation coverage as required by the laws of the state where the School is located.

(b) Except for workers compensation insurance, Franchisee's policies shall (1) list Franchisor and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Franchisor and its affiliates, (3) be primary and non-contributing with any insurance carried by Franchisor or its affiliates, and (4) stipulate that Franchisor shall receive thirty (30) days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time upon request of Franchisor.

7.16 Payments to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of your School. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Without Franchisor's prior written approval, which will not be unreasonably withheld, Franchisee shall not make any public statements, including without limitation interviews or issuing press releases, regarding Franchisor, the School or Business, or any particular incident or occurrence related to the School or Business. This provision does not apply to communications with any state or federal regulatory agency or law enforcement agencies.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor's prior written approval, which will not be unreasonably withheld.

7.19 Other Activity Associated with the Business. Franchisee is permitted to sublease an interior office space in its Location to a lactation consultant. Franchisee shall not sublease any other space in the Location to any other practitioner and other than as stated herein shall not engage in any business or other activity at the Location other than the operation of New Mom School. Franchisee shall not use assets of the School for any purpose other than the School. If Franchisee is an entity, the entity shall not own or operate any other business except New Mom School businesses. The rent collected by Franchisee for a lactation consultant as a subleasee shall not be included in Gross Sales of the New Mom School business. Franchisee shall be permitted to hold events at the New Mom School Location so long as they are preapproved by Franchisor and are complimentary to a New Mom School as determined in Franchisor's reasonable discretion. All sales or revenue generated due to an event held at the New Mom School Location shall be included in Gross Sales.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the School without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.21 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor. Franchisee must display at the School signage prescribed by Franchisor identifying the Location as an independently owned franchise.

7.22 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all products and services required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any products from Franchisor's designee, Required Vendors, Approved Vendors, and under Franchisor's specifications. Franchisor may periodically change any such requirement or change the status of any vendor. Any such requirement or change by Franchisor shall be made effective by insertion into the Manual, System Standards or otherwise by written notice to Franchisee.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular product or service only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the product or service from a different vendor, then Franchisee shall submit a written request to Franchisor for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notice of the approval or disapproval of any proposed new vendor within thirty (30) days after receipt of Franchisee's request.

8.3 Alternate Product or Service Approval. If Franchisor requires Franchisee to purchase a particular Product or service, and Franchisee desires to purchase an alternate Product or service, Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Product or service within thirty (30) days after receipt of Franchisee's request.

8.4 Purchasing. Franchisor may negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Franchisor has the right, but not the obligation, to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and impose a reasonable markup or charge for administering the payment. Franchisor may implement a centralized purchasing system. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

8.5 No Liability of Franchisor. Franchisor shall not be liable to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's School issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities, including without limitation, in-house marketing materials, websites, online advertising, social media marketing or presence, and sponsorships, which have not been approved by Franchisor. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations. Franchisee shall implement any marketing plans, or campaigns as determined by Franchisor. Franchisor may establish local social media accounts for Franchisee's New Mom School. Once established, Franchisor will provide Franchisee with access to the social media accounts. All social media accounts shall be owned and administered by Franchisor. Franchisee shall not be entitled to change any username or password to any social media account. Franchisee shall follow all guidelines, policies and procedures established by Franchisor for all social media use which may be changed from time to time in Franchisor's sole discretion. Franchisee may make appropriate posts to the School's social media accounts without the prior approval of Franchisor if the post are: (i) photos or videos from classes held in your School; (ii) updates to your School's class schedule; (iii) class spot openings at your School; (iv) announcements for class start dates held at your School; (v) announcements for pre-approved events and/or workshops; (vi) photos and videos of Franchisee partnered local events; and (vii) photos or videos of events or workshops hosted at your School. For all other content, posts or information Franchisee wishes to post or share on any social media account, Franchisee shall seek written approval from Franchisor prior to posting and send all required content to Franchisor via email. Franchisor shall attempt to promptly respond to all requests for approval from Franchisee; however, all requests not approved within ten business days shall be deemed denied. Franchisor shall be entitled to post any general brand content on each social media account at Franchisor's sole discretion and will provide original content including general brand content, New Mom School studio highlights, reels, posts and other information that will be posted to all New Mom School social media accounts. Franchisor shall be entitled to delete, remove or block any content, post or otherwise on any social media account in Franchisor's sole discretion. Franchisor shall have the right to revoke access to all social media accounts at any time in Franchisor's sole discretion and delete or deactivate all social media accounts without notice to Franchisee.

9.2 Use by Franchisor. Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Franchisor for such purpose.

9.3 Marketing Fund. Franchisor has established a Marketing Fund to promote the System on a local, regional, national, and/or international level. With respect to the Marketing Fund:

(a) Separate Accounting. Franchisor does not hold the Marketing Fund Contributions in a separate account from its other accounts, including its operational account. However, Franchisor does provide separate accounting for the Marketing Fund Contributions.

(b) Use. Franchisor shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development

of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Marketing Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund). Franchisor will not use Marketing Fund Contributions for the direct solicitation of franchise sales. However, we may include a statement regarding the availability of information about the purchase of New Mom School franchises in advertising and other items produced or distributed using the Marketing Fund.

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Franchisor's sole discretion, and Franchisor is not a fiduciary with respect to the Marketing Fund.

(d) Contribution by Other Outlets. Franchisor is not obligated to (i) have all other New Mom Schools contribute to the Marketing Fund, or (ii) have other New Mom Schools contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Franchisor may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Marketing Fund on reasonable terms.

(f) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Market Cooperatives. Franchisor may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within thirty (30) days. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. Franchisor or our affiliate owned units will not be required to contribute to the Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner and shall commence operations on a date determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any Franchisor business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each School owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a

Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing standardized promotional materials for use by the members in local advertising and promotions, all of which are subject to Franchisor's approval.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant to Section 9.1 of this Agreement. Franchisor may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and provided Franchisor or its affiliates have a majority vote, not more than 3% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Marketing Fund.

9.5 Paid Digital Ad Spend. Starting at the time your sign your letter of intent for your School location, you are required to use our Approved Vendor for paid digital advertisements. You are required to spend a minimum of $1,500 per month on paid digital advertising in your local area using our Approved Vendor. From time to time, you may be required to increase your monthly advertising spend above this minimum when advertising performance and market conditions support additional investment, as determined by us, but you will not be required to increase your Paid Digital Ad Spend Requirement to more than $7,500 per month. You are also responsible for any management fees owed to the Approved Vendor, which is currently $597 per month which is subject to change from the third party Approved Vendor.

9.6 Local Marketing. In addition to the paid digital advertisement requirement, we require that you spend three percent (3%) of Gross Sales each month on marketing your School. Upon request of Franchisor, Franchisee shall furnish proof of its compliance with this Section. Franchisor has the sole discretion to determine what activities constitute "marketing" under this Section. Franchisor may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section 9.5. If you fail to spend the required minimum amount during any calendar year on approved local advertising and promotional activities, you must pay us the difference between what you should have spent on approved local advertising and promotional activities during that year, and what you actually spent on those items during that year. You must obtain our approval (in writing) of all marketing, advertising and promotional materials before use, including any of your own materials, at least 10 business days before the deadline for running or using the marketing, advertising or promotional materials. Any marketing, advertising or

promotional materials not approved by us within 14 days will be deemed disapproved.

9.7 Market Introduction Program. We require you spend between $20,000 to $25,000 on the required paid digital ad spend and other initial advertising and promotional materials and advertising, promotion, and events to promote and execute the opening of your School (the "Market Introduction Program"), which must be coordinated with us and must commence at the time you enter into a letter of intent for your School location and last until at least 30 days after you open your School. We must approve all materials for your Market Introduction Program.

9.8 Solicitation Outside Territory. Franchisee may not offer any services or products outside the Territory without Franchisor's prior written consent. Except in conjunction with approved advertising promotions, Franchisee may not directly market or solicit business outside the Territory without prior written authorization from Franchisor, including Internet marketing, postcards, letters, fliers, emails, or other marketing communications. There are no restrictions on Franchisee from accepting orders from consumers outside of the Territory.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within thirty (30) days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within ninety (90) days after the end of Franchisor's fiscal year; and

(iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the School, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

(e) Third Party Vendors. Franchisor may obtain Franchisee's financial statements including monthly profit and loss statements and annual financial statements from Franchisee's third-party accounting vendor upon notice to Franchisee.

10.3 Initial Investment Report. Within one hundred twenty (120) days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the School, with costs allocated to the categories listed in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

10.4 School Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the School, with supporting documents, including, but not limited to, payroll records, payroll tax returns, sales reports, bank statements, deposit receipts, cancelled checks and paid invoices, for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the School, and all supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to grant Franchisor access to its QuickBooks Online account. Franchisee shall reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by three percent (3%) or more during any four-week period.

ARTICLE 11. FRANCHISOR'S RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate. Such notice need not qualify as "notice" under Section 18.9 of this Agreement. In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Inspections. Franchisor may enter the premises of the School from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Franchisor's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the inspection and the School. Franchisor may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Franchisor conducts an inspection because of a governmental report,

customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee, including following up a previous failed inspection, then Franchisor may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may, but shall not be obligated to, take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses. Including without limitation, the allocation of any internal costs for such action, plus a ten percent (10%) administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 School Data. All customer data and other non-public data generated by the School is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the School for the term of this Agreement and any renewals thereof.

11.6 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the School (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Franchisor to document Franchisor's ownership of Innovations.

11.7 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

11.8 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.9 System Variations. Franchisor may vary or waive any System Standard for any one or more franchisee due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Franchisor discovers or becomes aware of any aspect of the School which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon notice from Franchisor, Franchisee must

temporarily cease operations of the School and remedy the dangerous condition. Franchisor shall not be liable to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall not use any trademarks, service marks or logos in connection with the School other than the Marks. Franchisee shall use all Marks specified by Franchisor only in the manner designated by Franchisor. Franchisee has no rights in the Marks other than the right to use them in the operation of the School in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the School and Business, shall inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change at Franchisee's sole expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the School; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). Certain individuals with access to trade secrets or other confidential information, including your shareholders, officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your Manager(s), executives, employees, agents, independent contractors, consultants and staff are required to sign

nondisclosure and non-competition agreements in a form the same as or similar to the Confidentiality and Non-Disclosure Agreement attached as Exhibit 6 to this Agreement. We will be a third-party beneficiary with the right to enforce those agreements.
This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties or "Restricted Party") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason or, where applicable, for two years after a Transfer, no Restricted Party shall directly or indirectly operate, have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor which is located at the premises upon which New Mom School is or was located or is located or within a twenty-five (25) mile radius of the Franchisee's location or any other New Mom School location, whether owned by Franchisor or another Franchisee. Franchisee expressly agrees that the two-year period and the twenty-five (25) mile radius are the reasonable and necessary time and distance needed to protect Franchisor if this Agreement expires or is terminated for any reason. Franchisee agrees that the two-year time period of the non-competition provision shall not accrue during any time period that Franchise or any Restricted Party is in violation of this covenant. If this Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other New Mom School business operating on the date of termination.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause certain individuals with access to trade secrets or other confidential information, including your shareholders, officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your Manager(s), executives, employees, agents, independent contractors, consultants and staff are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Confidentiality and Non-Disclosure Agreement attached as Exhibit 6 to this Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within thirty (30) days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective ten (10) days after Franchisor receives written notice of termination.

14.2 Termination by Franchisor.

(a) Termination Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee has insufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within ten (10) days after Franchisor gives notice to Franchisee of such breach.

(b) Termination Subject to 30-Day Cure Period. Franchisor may terminate this Agreement if Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) of this Section 14.2, and Franchisee fails to cure such breach to Franchisor's satisfaction within thirty (30) days after Franchisor notifies Franchisee of the breach.

(c) Termination Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or makes any misrepresentation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within forty-five (45) days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open the School for business by the date specified on the Summary Page after ten (10) days' notice from Franchisor;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Section 7.2 of this Agreement (compliance with laws) or Section 13.1 of this Agreement (confidentiality), violates Section 13.2 of this Agreement (non-compete) or Article

15 of this Agreement (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vii) Franchisee abandons the School or ceases operation of the School for more than five (5) consecutive days;

(viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with Sections 10.5 or 11.2 of this Agreement;

(x) the School is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within forty-eight (48) hours after becoming aware of the danger, whether as a result of notice from Franchisor or otherwise;

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xii) Franchisor or any Franchisor affiliate terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee or its affiliate; provided however, that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not automatically give Franchisor the right to terminate this Agreement;

(xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Franchisor's opinion is reasonably likely to materially and unfavorably affect New Mom School brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Franchisor;

(ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the School, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within thirty (30) days after termination or expiration of this Agreement, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of or associated with a New Mom School business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within thirty (30) days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.5 Liquidated Damages. If Franchisor terminates this Agreement based upon Franchisee's default or if Franchisee purports to terminate this agreement for any reason not specified in Section 14.1 of this Agreement, then within ten (10) days thereafter Franchisee shall pay to Franchisor a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Franchisor under this Agreement for the 52-week period preceding the date on which Franchisee ceased operating the School; multiplied by (y) the lesser of (i) 104 or (ii) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the School for at least 52 weeks, then (x) will equal the average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Franchisor during the period that Franchisee operated the School. The "average Royalty Fees and Marketing Fund Contributions that Franchisee owed to Franchisor" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Marketing Fund Contributions set forth in an addendum to this Agreement unless this Section 14.5 of this Agreement is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent Franchisor's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Franchisor under this Section 14.5 will be in lieu of any direct monetary damages that Franchisor may incur as a result of Franchisor's loss of Royalty Fees and Marketing Fund Contributions that would have been owed to Franchisor after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Sections 14.3 and 14.4 of this Agreement, Franchisor's right to injunctive relief for enforcement of Article 13 of this Agreement, and any attorneys' fees and other costs and expenses to which Franchisor is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Franchisor may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Franchisor has the right but not the obligation to purchase any or all of the assets related to the School, and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee no later than thirty (30) days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the fair market value of the assets. If the parties cannot agree on fair market value within thirty (30) days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Franchisor to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold twenty-five percent (25%) of the purchase price for ninety (90) days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. Upon notice to Franchisee, Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not Transfer this Agreement without obtaining Franchisor's prior written consent, which shall not be unreasonably withheld provided that certain conditions of Transfer are satisfied, including, without limitation, the following:

(i) Franchisor receives a transfer fee equal to Ten Thousand Dollars ($10,000) plus any broker fees and other out-of-pocket costs incurred by Franchisor;

(ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different

provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5 of this Agreement;

(vi) Franchisee has paid all monetary obligations to Franchisor and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Franchisor or its affiliates;

(vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and

(ix) the School fully complies with all of Franchisor's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least fifteen (15) days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3 of this Agreement; (2) Franchisee provides copies of the entity's charter documents, by-laws or operating agreement and similar documents, as may be requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5 of this Agreement.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2of this Agreement except Franchisee shall not be responsible for the transfer fee as stated in Section 15.2(i).

15.5 Franchisor's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3of this Agreement, to a co-Owner, or to a spouse, sibling, or child of an Owner), Franchisor will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of thirty (30) days from the date of Franchisor's receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend, with counsel reasonably acceptable to Franchisor, Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnitee arising directly or indirectly related to, or alleged to arise out of, the operation of the Business (unless caused by our misconduct or negligence). Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in full force and effect and shall survive any termination or expiration of this Agreement.

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. A claim involving an alleged infringement of any of Franchisor's intellectual property rights may be brought in a court authorized to hear such claims under Section 17.5 of this Agreement without first proceeding in arbitration.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnification under Article 16 of this Agreement, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of appropriate jurisdiction in the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Franchisor's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee and Franchisor.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior discussions, negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by The New Mom School Franchising, LLC in its Franchise Disclosure Document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance, or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Texas (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Texas law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to Chief Executive Officer, The New Mom School Franchising, LLC, 24672 Royale Ridge, Laguna Niguel 92677. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the School after the expiration of the Term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2 of this Agreement, then at any time (regardless of any course of dealing by the parties), Franchisor may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the School and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as

Franchisor specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi) of this Agreement.

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee," each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

ARTICLE 19. CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

(1) Franchisee understands all the information in Franchisor's Disclosure Document.

(2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace.

(3) That no person acting on Franchisor's behalf made any statement or promise regarding the costs involved in operating a New Mom School franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(4) That no person acting on Franchisor's behalf made any claim or representation to Franchisee, orally, visually, or in writing, which contradicted the information in the Disclosure Document.

(5) That no person acting on Franchisor's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a New Mom School franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(6) That no person acting on Franchisor's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.

(7) Franchisee understands that this Agreement contains the entire agreement between Franchisor and Franchisee concerning a New Mom School franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, Franchisee is not relying on any statement,

promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

Agreed to by:

FRANCHISOR:
The New Mom School Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 1 TO
NEW MOM SCHOOL FRANCHISE AGREEMENT

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

EXHIBIT 2 TO
NEW MOM SCHOOL FRANCHISE AGREEMENT

LOCATION ACCEPTANCE LETTER

To: _____

This Location Acceptance Letter is issued by The New Mom School Franchising, LLC for your New Mom School franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the School is:

   _____

2. The Territory of the School is:

   _____

The New Mom School Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 3 TO
NEW MOM SCHOOL FRANCHISE AGREEMENT

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of The New Mom School Franchising, LLC, a Texas Limited Liability Company ("Franchisor").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with Franchisor for the franchise of a New Mom School business (the "Franchise Agreement;" capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement. Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the School; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for Confidential Information which Franchisor licenses from another person or entity). Guarantor

acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within twenty-five (25) miles of Franchisee's Territory or the territory of any other New Mom School business operating on the date of termination or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will be the Development Area and the territory of any other New Mom School business operating on the date of termination.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Texas (without giving effect to its principles of conflicts of law). The parties agree that any Texas law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Franchisor all costs incurred by Franchisor (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

_____
Name: _____
Address: _____
_____
_____
Date: _____

EXHIBIT 4 TO
NEW MOM SCHOOL FRANCHISE AGREEMENT

ACH PAYMENT AGREEMENT

ACCOUNT NAME: _____
CUSTOMER NUMBER: _____
FRANCHISE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments:

(I/we) do hereby authorize The New Mom School Franchising, LLC, a Texas Limited Liability Company, (hereinafter "Franchisor") to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of $75 per item by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within 15 days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorney's fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER:
ACCOUNT NUMBER:
DEPOSITORY NAME:
BRANCH: _____
CITY: _____ STATE: _____ ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE NUMBER: _____
CUSTOMER NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

FRANCHISEE: _____
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 5 TO
NEW MOM SCHOOL FRANCHISE AGREEMENT

RIDER TO LEASE AGREEMENT

Landlord: _____
Notice Address: _____
_____
_____
Telephone: _____

Franchisor: The New Mom School Franchising, LLC

Notice Address:
24672 Royale Ridge
Laguna Niguel, CA 92677

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a New Mom School business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within ten (10) days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within fifteen (15) days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the New Mom School brand. Any provision of the Lease which limits Tenant's right to own or operate other New Mom School outlets in proximity to the Leased Premises shall not apply to Franchisor.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

_____

By: _____
Name: _____
Title: _____
Date: _____

TENANT:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

The New Mom School Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 6 TO
NEW MOM SCHOOL FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (SAMPLE)

This Confidentiality and Non-Disclosure Agreement (the "Agreement"), dated _____ is by and between INSERT FRANCHISEE's BUSINESS ENTITY NAME (herein referred to as "Franchisee," "New Mom School," "we," "us," or "our") and _____ (herein referred to as "Individual," "you," or "your").

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____ (the "Franchise Agreement") by and between Franchisee and the Franchisor, The New Mom School Franchising LLC (the "Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement with the Company to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

In providing services to New Mom School, Individual understands that he/she will be given access to and become acquainted with the Confidential Information as defined in Paragraph 1 below. Because the industry in which New Mom School is engaged is highly competitive and the information entrusted to New Mom School by the Company, its affiliates and third parties is highly sensitive, maintaining the confidentiality of all such information is critically important to New Mom School. You therefore agree as follows:

1. "Confidential Information" Defined. It is difficult to define in advance the scope of Confidential Information but in general it will be all information that has actual or potential economic value to New Mom School or the Company and is not generally known to the public or other persons or who can obtain economic value from its disclosure or use, or information that could cause injury if disclosed. Confidential Information will include, among other things, any and all information disclosed to Individual or known by you as a consequence of you providing services for New Mom School that is not generally known to business competitors or the general public. Such Confidential Information will include information about New Mom School and the Company's business affairs, legal affairs and operations, finances, employees, independent contractors, processes, services, any processes and procedures relating to any services, classes, curriculum, data, lists of services and methods used to perform services, systems or plans, internal affairs, client lists, contractor lists, marketing plans, creative ideas and concepts, operating procedures, potential or existing reorganization plans, any and all information entrusted to New Mom School by the Company, its affiliates or any third parties, and any and all information defined as "Trade Secrets" under the Uniform Trade Secrets Act. Confidential Information may be contained in written materials, handwritten notes, verbal communications, recordings, the unwritten knowledge of employees, and/or any other tangible medium of expression, including, but not limited to, hard disk and soft disk drive mechanisms.

2. Non-Disclosure. In consideration of your provision of services to New Mom School, Individual agrees to keep confidential any and all Trade Secret or Confidential Information. Such Confidential Information shall not be used by you for any purpose not related to the business interests of New Mom School or the Company nor shall Individual disclose or reveal any Confidential Information for reasons not related to the business interests of New Mom School or the Company, even in the course of casual discussions, to any person or entity, whether during your provision of services for New Mom School or at any time thereafter. If at any time you become aware of any unauthorized use, disclosure, or communication of such Confidential Information by anyone, you agree to immediately inform New Mom School and Alexandra Spitz, CEO of the Company of such use, disclosure, or communication. The terms of this paragraph are in addition to, and not in lieu of, any other common law, statutory, contractual, or other obligations Individual may have.

3. Format of Communications. The provisions of Section 2 above shall apply to all communication formats now known or hereinafter developed, whether written, printed, oral or electronic, including, without limitation, e-mails, social media posts or messages, blogs, Internet sites, chat or newsrooms, podcasts, or any other social media or on-line platform.

4. Conflicts of Interest. During the term of your services for New Mom School and for a period of one (1) year after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, you agree that you will not engage in any conduct that is harmful to New Mom School or the Company's best interests or otherwise presents a conflict of interest with your obligations to New Mom School. You understand and agree that such conduct may include, by way of example and not limitation: (i) working for a current or potential competitor of New Mom School or the Company; or (ii) work which requires the use of New Mom School or the Company's property, facilities, equipment or time.

5. Ownership. During the term of this Agreement, you shall disclose to New Mom School and the Company all ideas, concepts, materials, improvements, inventions, or work product that you create specifically for New Mom School or the Company, or that rely on, incorporate, or are derived from New Mom School or the Company's curriculum, methods, materials, Trade Secrets or Confidential Information (the "Work Product"). All of the Work Product, tangible or intangible, that results from your services to New Mom School including, without limitation, anything developed or created by you, either individually or in collaboration with others or that relies on, incorporates, or is derived from New Mom School or the Company's curriculum, methods, materials, or Confidential Information, shall be deemed the Company's works-made-for-hire and shall be the sole and exclusive property of the Company. No compensation shall be due to you, and you agree to assign all such rights, title, and interest in the Work Product to the Company exclusively. If you are providing services to Franchisee as an independent contractor rather than as an employee, this section does not apply to any ideas, inventions, content, curriculum, business plans, writings, or other intellectual property that you (i) created before beginning services for New Mom School, or (ii) developed entirely on your own time, without collaboration with New Mom School, and that does not relate to, incorporate, or derive from New Mom School or the Company's curriculum, methods, programs, Confidential Information or Trade Secrets.

6. No-Solicitation. While providing services for New Mom School and for a period of one (1) year thereafter, you shall not, without the express prior written approval of FRANCHISEE NAME, engage in any of the following conduct: (a) solicit for employment any of New Mom School's employees; or (b) induce or attempt to induce any consultant, independent contractor, licensee or other third party to sever any relationship with New Mom School. Moreover, you understand and expressly acknowledge that the preferences and needs of women served or solicited by New Mom School (collectively the "New Mom School Clients") constitute a valuable trade secret of New Mom School and the Company; that such information has been expressly identified as Confidential Information having independent economic value; that such information is not readily ascertainable from public sources; and that New Mom School or the Company has expended considerable time and effort to develop, compile, and protect such information.

7. No Removal of Confidential Information. You shall not remove, reproduce, summarize, or copy any Confidential Information or Work Product except as expressly required by New Mom School in order to enable you to perform services for New Mom School.

8. Return of Confidential Information. You shall return immediately to New Mom School all Confidential Information and Work Product including duplicates, when Individual leaves its employ, no longer provides services to New Mom School or whenever New Mom School or the Company, in its sole discretion, may otherwise require that such Confidential Information and/or Work Product be returned.

9. Publication. You shall not, directly or indirectly, publish, or cause or assist the publication of any Confidential Information, Trade Secrets or Work Product. You shall not give any interviews or write or assist in the preparation of any books, articles, social media posts, programs or the like about New Mom School, the Company, or the New Mom School Clients without the express written consent of the Company.

10. Disgorgement of Profits. You agree that if you, directly or indirectly, benefit, financially or otherwise (collectively, "Profit"), from your use or disclosure of any Confidential Information, Trade Secret or Work Product, you will have misappropriated such Confidential Information, Trade Secret or Work Product, and any such Profit belongs to the Company and you will disgorge the value of the Profit in cash to the Company within thirty (30) days after receiving such Profit.

11. Representations and Warranties. You acknowledge that each of the terms set forth herein is fair and reasonably required for the protection of Franchisee, the Company's Trade Secrets and Confidential Information, the Company's business system and network of franchises, and the Company's trademarks and service marks. Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. You represent and warrant that you have the right to grant to New Mom School all of the rights that are granted hereunder and that no permission, grant or consent of any other person is necessary in order for you to grant to New Mom School the rights hereunder and that New Mom School's use of such Confidential Information and Work Product as set forth above will not violate your rights or the rights of anyone claiming by or through you. You represent and warrant to New Mom School that

you have not entered into any agreement with any other party that would interfere with or be inconsistent with your covenants, representations, and warranties herein.

12. Injunctive Relief. You acknowledge that the provisions set forth in this Agreement are necessary and reasonable to protect New Mom School and the Company's Confidential Information, Work Product and good will and, further, that a breach or threatened breach of any provision of this Agreement will cause great and irreparable harm to New Mom School and the Company for which it shall have no adequate remedy at law. Therefore, in addition to any other rights and remedies New Mom School and/or the Company may have, New Mom School and/or the Company, without posting any bond, shall be entitled to obtain injunctive and other equitable relief to prevent a breach or continuing breach of this Agreement without any requirement to show actual damages. You acknowledge that this Agreement shall be specifically enforceable in accordance with its terms and that any breach of any of the terms and conditions of this Agreement may result in the immediate ending of your provision of services to New Mom School.

13. Third Party Beneficiary. You understand and acknowledge that the Company is a third-party beneficiary of this Agreement and that the Company shall be entitled to enforce this Agreement with or without the cooperation of Franchisee.

14. Effective Date. You understand that this Agreement, no matter when signed by you, is effective as of the date you first acquired knowledge of any Confidential Information or Trade Secret.

15. Survival of Agreement. The end of your services to New Mom School, for whatever reason, shall not affect New Mom School or the Company's rights herein or your obligations under this Agreement, all of which survive termination of this Agreement or your services with New Mom School.

16. Successors and Assigns. This Agreement shall inure to the benefit of the predecessors, successors and assigns of New Mom School and the Company, and shall be binding upon your heirs and legal representatives.

17. Waiver. The waiver by New Mom School or the Company of a breach of any provision of this Agreement shall not be construed to be a waiver of any other or subsequent breach by Individual, nor shall it be construed as a continuing waiver.

18. Severability. Should any provision of this Agreement be held invalid, void, or unenforceable for any reason, such adjudication shall in no way affect any other provision of this Agreement or the validity or enforcement of the remainder of the Agreement and the provision affected shall be curtailed only to the extent necessary to bring it within the applicable requirements of the law.

19. Governing Law and Forum. Except as governed by federal law, this Agreement shall be construed in accordance with and governed by the laws of the State of Texas. All claims regarding this Agreement shall be brought solely in the state and federal courts in Los Angeles County, California.

20. Not An Employment Agreement. This Agreement is not intended to and shall not be construed to alter any at-will employment relationship which presently exists between you and New Mom School and is not an employment agreement.

21. Costs and Attorneys' Fees. In the event that New Mom School or the Company files (a) an action seeking injunctive or other relief, (b) a claim to enforce the terms of this Agreement, or (c) a claim to declare its rights hereunder, if it prevails, it shall be entitled to an award of all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys' fees.

22. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to Individual's obligations of confidentiality and non-disclosure and fully supersedes any and all prior agreements and understandings, written or oral, with respect to the matters contained in this Agreement. Any amendment or modification of this Agreement shall be effective only if in writing and signed by the parties.

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Name Printed: _____

EXHIBIT C TO DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between The New Mom School Franchising, LLC, a Texas Limited Liability Company ("Franchisor") and _____, a _____ _____ ("Franchisee") on _____, _____, 20____ the ("Effective Date").

.

Background Statement: On the same day as they executed this MUDA, Franchisor and Franchisee have entered into a Franchise Agreement for the franchise of a New Mom School (the "Franchise Agreement;" capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Franchisor and Franchisee desire that Franchisee open multiple New Mom Schools.

1. Multi-Unit Commitment.

(a) Development Schedule; Development Fee. Franchisee shall develop and open _____ Schools on the following schedule:

Franchise #	Deadline for Opening	Total schools to be Open and Operating on Deadline	Total Development Fee
1		1	$_____
2		2	$_____
3		3	$_____
4		4	$_____
5		5	$_____
		Total Development Fee:	

(b) Payment**.** Upon execution of this MUDA, Franchisee shall pay the total Initial Franchise Fees to Franchisor. The Initial Franchise Fees are non-refundable.

(c) Extension. You are required to open a pre-determined number of Schools according to your Development Schedule. If you request or we deem it necessary to grant you an extension to extend your Development Schedule, you will pay us $1,000 for each 30-day extension period we grant you (the "Extension Fee"). The Extension Fee is non-refundable.

2. Form of Agreement. For the first location, Franchisee and Franchisor have executed the Franchise Agreement simultaneously with this MUDA. For each additional franchise, Franchisee

shall execute Franchisor's then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location for the franchise. This MUDA does not give Franchisee the right to construct, open, or operate a New Mom School, and Franchisee acknowledges that Franchisee may construct, open, and operate each New Mom School only pursuant to a separate franchise agreement executed pursuant to this MUDA for each New Mom School.

3. Development Area. Franchisee shall locate each New Mom School it develops under this MUDA within the following area: _____ _____ (the "Development Area"). Franchisee acknowledges that it does not have exclusive rights to develop, open or operate New Mom Schools in the Development Area.

4. Default and Termination. Franchisor may terminate this MUDA by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee fails to satisfy the development schedule; or

(ii) Franchisor has the right to terminate any franchise agreement between Franchisor and Franchisee (or any affiliate thereof) due to Franchisee's default thereunder (whether or not Franchisor actually terminates such franchise agreement).

5. Limitation of Liability. Franchisee's commitment to develop New Mom Schools is in the nature of an option only. If Franchisor terminates this MUDA for Franchisee's default, Franchisee shall not be liable to Franchisor for lost future revenues or profits from the unopened New Mom Schools.

6. Conditions. Franchisee's right to develop each New Mom School franchise after the first franchise is subject to the following:

(i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional New Mom School in the reasonable judgment of Franchisor, and

(ii) Franchisee must be in full compliance with all brand requirements at its operating New Mom School(s), and not in default under any Franchise Agreement or any other agreement with Franchisor.

7. Indemnification. Franchisee shall indemnify, defend, and hold harmless Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees against any and all losses, damages, expenses, and costs (including reasonable attorneys' fees) arising out of or resulting from Franchisee's breach of this MUDA. This indemnification obligation shall survive the termination or expiration of this MUDA.

8. Dispute Resolution; Miscellaneous. The laws of the State of Texas (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Texas law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without

reference to this Section 7. Franchisee shall not Transfer this MUDA without the prior written consent of Franchisor, and any Transfer without Franchisor's prior written consent shall be void. If Franchisor consents to a transfer of the MUDA, Franchisee shall be responsible for our then current transfer fee which is Ten Thousand Dollars ($10,000) plus any broker fees and other out-of-pocket costs incurred by Franchisor as of the date of this MUDA. The transfer fee is nonrefundable. Franchisee shall complete all other additional responsible conditions imposed by Franchisor to transfer its rights under this MUDA. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein.

9. **Entire Agreement**. This Agreement constitutes the entire agreement of the parties and supersedes all prior discussions, negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by The New Mom School Franchising, LLC in its Franchise Disclosure Document.

Agreed to by:

FRANCHISOR:

The New Mom School Franchising, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

[*if an individual:*]

_____
Name: _____

[*if an entity:*]

_____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of The New Mom School Franchising, LLC, a Texas Limited Liability Company ("Franchisor").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Franchisor its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants 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 crossclaim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Further, this Release will not apply to Claims arising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder.

Agreed to by:

_____

Name: _____

Date: _____

EXHIBIT E TO DISCLOURE DOCUMENT

FINANCIAL STATEMENTS

THE NEW MOM SCHOOL FRANCHISING, LLC

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

(With Independent Auditors' Report Theron)

THE NEW MOM SCHOOL FRANCHISING, LLC
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INDEPENDENT AUDITORS' REPORT

To the Member of
The New Mom School Franchising, LLC
Southlake, TX

Opinion

We have audited the accompanying financial statements of The New Mom School Franchising, LLC (a Texas Limited Liability Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New Mom School Franchising, LLC as of December 31, 2025, and 2024 and the results of its operations and its cash flows for the year 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. 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 The New Mom School 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 The New Mom School 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 The New Mom School 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 The New Mom School 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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
March 30, 2026

THE NEW MOM SCHOOL FRANCHISING, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 1,165,093	$ 3,094
Prepaid expenses	339,552	399,552
Total Current Assets	1,504,645	402,646
Property and equipment, net	172,062	214,213
Intangible assets, net	53,600	60,300
Total Assets	$ 1,730,307	$ 677,159
Liabilities and Members' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	$ 62,470	$ 33,924
Deferred revenue - current portion	449,000	521,000
Note payable - current portion	12,310	11,424
Total Current Liabilities	523,780	566,348
Long-Term Liabilities		
Due to related party	-	108,350
Deferred revenue - non current portion	104,800	61,950
Note payable - non current portion	47,515	59,825
Convertible note payable	1,436,000	-
Total Long-Term Liabilities	1,588,315	230,125
Total Liabilities	2,112,095	796,473
Members' Deficit		
Members' deficit	(381,788)	(119,314)
Total Members' Deficit	(381,788)	(119,314)
Total Liabilities and Members' Deficit	$ 1,730,307	$ 677,159

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Revenue		
Initial franchise fees	$ 509,150	$ 27,050
Franchise royalty fees	151,132	31,477
Marketing fund fees	28,841	4,317
Software license fees	102,734	5,313
Technology fees	5,000	7,500
Product sales	3,649	219
Total Revenue	800,506	75,876
Operating Expenses		
Advertising	414,315	192,912
Automobile expenses	708	1,778
Bank charges	1,031	1,093
Charitable contributions	-	1,500
Computers & software	65,120	12,402
Depreciation and amortization expense	51,495	13,823
Dues & memberships	320	1,318
Education & seminars	57,230	17,126
Insurance expense	22,654	2,507
Licenses & permits	1,126	3,350
Legal & professional fees	109,859	139,009
Miscellaneous	7,641	1,950
Office expenses	10,561	8,306
Payroll taxes & expenses	61,175	16,378
Salaries & wages	406,364	29,819
Telephone	4,651	2,973
Travel expenses	3,211	16,781
Utilities	39	-
Total Operating Expenses	1,217,500	463,025
Loss From Operations	(416,994)	(387,149)
Other Income (Expense)		
Interest and dividend income	8,013	-
Interest expense	(41,764)	(4,588)
Total Other Income (Expense)	(33,751)	(4,588)
Net Loss	$ (450,745)	$ (391,737)

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENTS OF CHANGES IN MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Members' Deficit @ January 1	$ (119,314)	$ 101,411
Members' contribution (distribution), net	188,271	171,012
Net loss	(450,745)	(391,737)
Members' Deficit @ December 31	$ (381,788)	(119,314)

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Net loss	$ (450,745)	$ (391,737)
Adjustments to reconcile Net loss to net cash used by operating activities:		
Depreciation & Amortization	51,495	13,823
(Increase) Decrease in Operating Assets		
Prepaid expenses	60,000	(339,552)
Increase (Decrease) in Operating Liabilities		
Accounts payable and accrued expenses	28,546	25,223
Deferred revenue	(29,150)	497,950
		-
Total Adjustments	110,891	197,444
Net Cash Provided By (Used in) Operating Activities	(339,854)	(194,293)
Cash Flows From Investing Activities		
Purchase of fixed assets	(2,644)	(187,676)
Intangible asset purchases		
Net Cash Used in Investing Activities	(2,644)	(187,676)
Cash Flows From Financing Activities		
Members' contribution (distribution), net	188,271	171,012
Due to related party, net	(108,350)	117,350
Auto note payable	(11,424)	71,249
Convertible note payable	1,436,000	-
Net Cash Provided by Financing Activities	1,504,497	359,611
Net increase (decrease) in cash and cash equivalents	1,161,999	(22,358)
Cash And Cash Equivalents, Beginning of Year	3,094	25,452
Cash And Cash Equivalents, Ending of Year	$ 1,165,093	$ 3,094

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

NOTE 1 – BUSINESS ACTIVITY

The New Mom School Franchising, LLC, a Texas Limited Liability Company, was formed on February 2, 2023; the Company is in the business of offering franchises for the operation of a business that provides postnatal support and education to others and their children. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to The New Mom School Franchising, LLC.

Affiliate

The New Mom School, Inc., a California corporation formed in 2012, has continuously owned and operated a similar business to the franchises being offered. The New Mom School, Inc., does not offer franchises in any line of business. During 2024 this entity was sold to an outside third party and converted to a franchisee.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2025 and 2024, the Company uninsured cash balances were $608,015 and $0, respectively.

Accounts Receivable and Allowance for Credit Losses

Customer accounts receivable is stated at the amount management expects to collect on balances. Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the year ended December 31, 2025 and 2024, no allowance for credit losses was recorded.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Intangible Assets

Intangible assets are stated at cost. Amortization is generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years.

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets for the Year ended December 31, 2025 and 2024, no impairment of the carrying values of its long-lived assets existed at December 31, 2025 and 2024. There can be no assurance, however, that demands for the Company's products or market conditions will not change, which could result in impairment losses in the future.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the year ended December 31, 2022. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2025.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties and marketing fund fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- *Review & advice regarding potential locations and designate your territory.*
- *Provide site selection guidelines and criteria and provide site selection assistance to determine an acceptable location.*
- *Provide you with specifications including a list of approved suppliers for signs, fixtures, equipment, parts computer system, vehicle, and suppliers.*
- *Access to the Confidential Operations Manual.*
- *Provide an initial training program.*
- *Review pre-opening business plan and financial projections.*
- *Advise on the planning and execution of the market introduction plan.*

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities, (continued)

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective February 2, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2025.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year's presentation. The reclassifications had no effect on previously reported net assets or increase in net assets.

NOTE 3 – PROPERTY AND EQUIPMENT

At December 31, property and equipment consists of the following:

	2025	2024
Vehicles	$ 103,011	$ 103,011
Software and website	120,969	118,325
	223,980	221,336
Less: Accumulated depreciation	(51,918)	(7,123)
	$ 172,062	$ 214,213

NOTE 4 – INTANGIBLE ASSETS

Intangible assets are stated at cost. Amortization is generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. As of December 31, 2025 and 2024, intangible assets consisted of costs to create the franchise system in the amount of $67,000.

At December 31, intangible assets consists of the following:

	2025	2024
Other intangible assets	$ 67,000	$ 67,000
Less: Accumulated amortization	(13,400)	(6,700)
	$ 53,600	$ 60,300

NOTE 5 – COMMITMENTS AND CONTINGENCIES

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

NOTE 6 – PREPAID EXPENSES

Deferred expenses represent expenses paid to assist franchisee's in getting their business open. This includes marketing, advertising & social media costs. The Company has opted to amortize the costs over the term of the agreement. The amount deferred as of December 31, 2025 and 2024 were $339,552 and $399,552, respectively.

NOTE 7 – DEFERRED REVENUE

Deferred revenue represents an allocated amount of the initial franchise fee for the license portion, which is amortized over the term of the agreement, and the unearned portion of the initial franchise fee for the contractual obligations of the Company that have not yet been performed.

At December 31, deferred revenue consists of the following:

	2025	2024
Current portion	$ 449,000	$ 521,000
non current portion	104,800	61,950
	$ 553,800	$ 582,950

NOTE 8 – LONG TERM DEBT

Convertible Note Payable

In 2025, the Company issued several subordinated convertible promissory notes (the "Notes") with an aggregate principal amount of $1,436,000. The Notes bear simple interest at 7.5% per annum, calculated on the basis of actual days elapsed and a 365-day year, and mature three years from issuance. Interest and principal are payable at maturity unless earlier converted as described below.

The Notes are unsecured and expressly subordinated to the Company's Senior Indebtedness. They are convertible into equity upon certain Qualified Financings, Non-Qualified Financings or (with the written consent of a Majority in Interest of the investors) on the maturity date; conversion mechanics, pricing and anti-dilution provisions are set forth in the Notes. The Notes contain customary events of default, acceleration, subordination and transfer restrictions, and customary investor protections.

The carrying principal balance of the Notes at December 31, 2025 is $1,436,000. Accrued but unpaid interest at December 31, 2025 is $33,136.

Maturity classification at December 31, 2025:

- Current portion of notes payable (principal): $0
- Notes payable — long term: $1,436,000.

Auto Note Payable

On October 1, 2024, the Company entered into a secured installment loan to finance the purchase of a vehicle. The loan terms require monthly principal and interest payments of $1,326. The loan bears interest at 6.50% per annum (APR 6.79%) and interest is computed on the outstanding principal balance. The loan is secured by the related vehicle. Interest expense is recognized using the effective interest method and included in interest expense in the Statement of Income.

NOTE 8 – LONG TERM DEBT (CONTINUED)

Auto Note Payable, continued

The Company evaluates the loan covenant and collateral position periodically; there were no events of default or modifications of terms as of December 31, 2025.

At December 31, 2025 and 2024, the outstanding principal balance of the loan was $59,825 and $71,249, respectively.

Maturity and principal repayments:

- Current portion of principal due within one year: $12,310
- Principal due after one year: $47,515

NOTE 9 – RELATED PARTY TRANSACTIONS

As of December 31, 2025 and 2024, $0 and $108,350 is due to an affiliate (see note 1) for cash advances and expenses paid by the affiliate on behalf of the Company. The loan has no repayments terms and is due on demand.

NOTE 10 – CERTAIN OPERATING MATTERS

For the years ended December 31, 2025 and 2024, the Company reported net losses of $450,745, and $391,737, respectively, and maintained a members' deficit of $381,788 and $119,314 for the same periods.

However, to support management's position regarding the stability and growth potential of The New Mom School Franchising, LLC, the Company presented the following mitigating factors.

- The Company's CEO has more than 10 years of experience in executive leadership and has made strategic investments in the Company's infrastructure at an early stage that typically would not be undertaken until after achieving a larger number of operational units. By establishing a strong executive team with extensive experience, the Company is well-prepared to support its expanding franchise network.
- In line with the Company's growth strategy, they have recently opened twenty new franchise centers through the end of 2025, and projects the opening of an additional fifteen franchise centers by the end of 2026.
- The Company has a significant portion of deferred revenue to be recognized when the additional fifteen franchises open its doors in 2026.

Management believes that these strategic developments demonstrate a commitment to sustainable growth and operational stability.

NOTE 11 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 30, 2026, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

THE NEW MOM SCHOOL FRANCHISING, LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2024

(With Independent Auditors' Report Theron)

Divine Blalock Martin Sellari LLC
Est. in 1932

THE NEW MOM SCHOOL FRANCHISING, LLC
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INDEPENDENT AUDITORS' REPORT

To the Member of
The New Mom School Franchising, LLC
Southlake, TX

Opinion

We have audited the accompanying financial statements of The New Mom School Franchising, LLC (a Texas Limited Liability Company), which comprise the balance sheet as of December 31, 2024, and the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New Mom School Franchising, LLC as of December 31, 2024, and the results of its operations and its cash flows for the year 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. 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 The New Mom School 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.

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

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 The New Mom School 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 The New Mom School 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 The New Mom School 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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
March 14, 2025

THE NEW MOM SCHOOL FRANCHISING, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2024

Assets	
Current Assets	
Cash and cash equivalents	$ 3,094
Prepaid expenses	399,552
Total Current Assets	402,646
Property and Equipment	
Vehicles	103,011
Software & website, net	118,325
Less: accumulated depreciation	(7,123)
Total Property and Equipment	214,213
Other Assets	
Franchise system	67,000
Less: accumulated amortization	(6,700)
Total Other Assets	60,300
Total Assets	$ 677,159
Liabilities and Members' Equity	
Current Liabilities	
Accrued expenses	$ 33,924
Deferred revenue - current portion	580,000
Current portion of note payable	-
Total Current Liabilities	613,924
Long-Term Liabilities	
Deferred revenue - noncurrent portion	2,950
Due to related party	108,350
Note payable - vehicle loan	71,249
Total Long-Term Liabilities	182,549
Total Liabilities	796,473
Members' Equity:	
Members' equity	(119,314)
Total Members' Equity	(119,314)
Total Liabilities and Members' Equity	$ 677,159

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

Revenue		
Initial franchise fees	$	27,050
Franchise royalty fees		31,477
Marketing fund fees		4,317
Software license fees		5,313
Technology fees		7,500
Product sales		219
Total Revenue		75,876
Operating Expenses		
Advertising		192,912
Amortization expense		6,700
Automobile expenses		1,778
Bank charges		1,093
Charitable contributions		1,500
Computers & software		12,402
Consulting expenses		10,395
Depreciation expense		7,123
Dues & memberships		1,318
Education & seminars		6,731
Insurance expense		2,507
Interest expense		4,588
Licenses & permits		3,350
Legal & professional fees		139,009
Miscellaneous		1,950
Office expenses		8,306
Payroll taxes & expenses		16,378
Salaries & wages		29,819
Telephone		2,973
Travel expenses		16,781
Total Operating Expenses		467,613
Income/(Loss) From Operations		(391,737)
Net Income/(loss)	$	(391,737)

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Members' equity @ January 1, 2024	$ 101,411
Members' contribution	183,192
Members' draw	(12,180)
Net (loss)	(391,737)
Members' deficit @ December 31, 2024	$ (119,314)

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Net (loss)	$ (391,737)
Adjustments to reconcile Net income/(loss) to net cash used by operating activities:	
Depreciation & Amortization	13,823
(Increase) Decrease in Operating Assets	
Prepaid expenses	(339,552)
Increase (Decrease) in Operating Liabilities	
Accounts payable	(750)
Accrued expenses	25,973
Deferred revenue	497,950
Total Adjustments	197,444
Net Cash Used in Operating Activities	(194,293)
CASH FLOWS FROM INVESTING ACTIVITIES	
Software & website purchases	(187,676)
Net Cash Used in Investing Activities	(187,676)
CASH FLOWS FROM FINANCING ACTIVITIES	
Due from	9,000
Members' contribution	171,012
Note payable - vehicle	71,249
Due to related party	108,350
Net Cash Provided by Financing Activities	359,611
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,358)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,452
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,094

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

THE NEW MOM SCHOOL FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – BUSINESS ACTIVITY

The New Mom School Franchising, LLC, a Texas Limited Liability Company, was formed on February 2, 2023; the Company is in the business of offering franchises for the operation of a business that provides postnatal support and education to others and their children. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to The New Mom School Franchising, LLC.

Affiliate

The New Mom School, Inc., a California corporation formed in 2012, has continuously owned and operated a similar business to the franchises being offered. The New Mom School, Inc. does not offer franchises in any line of business. During 2024 this entity was sold to an outside 3rd party and converted to a franchisee.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Customer accounts receivable are stated at the amount management expects to collect on balances. Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the year ended December 31, 2024, no allowance for credit losses was recorded.

Property and Equipment

Property and equipment are stated at cost. Depreciation is generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. As of December 31, 2024, property and equipment consisted of Software & Website costs in the amount of $118,325 and Vehicle costs in the amount of $103,011. Depreciation expense for the year ended December 31, 2024 was $7,123.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Intangible Assets

Intangible assets are stated at cost. Amortization is generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. As of December 31, 2024, intangible assets consisted of costs to create the franchise system in the amount of $67,000. Amortization expense for the year ended December 31, 2024 was $6,700.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the year ended December 31, 2022. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2024.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties and marketing fund fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- *Review & advise regarding potential locations and designate your territory*.
- *Provide site selection guidelines and criteria and provide site selection assistance to determine an acceptable location.*
- *Provide you with specifications including a list of approved suppliers for signs, fixtures, equipment, parts computer system, vehicle and suppliers.*
- *Access to the Confidential Operations Manual*.
- *Provide an initial training program.*
- *Review pre-opening business plan and financial projections.*
- *Advise on the planning and execution of the market introduction plan.*

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities, (continued)

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective February 2, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2024.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

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

NOTE 4 – PREPAID EXPENSES

Deferred expenses represent expenses paid to assist franchisee's in getting their business open. This includes marketing, advertising & social media costs. These costs are fully recognized when Franchisees open their doors. The amount deferred as of December 31, 2024 was $399,552.

NOTE 5 – DEFERRED REVENUE

Deferred revenue represents an allocated amount of the initial franchise fee for the license portion, which is amortized over the term of the agreement, and the unearned portion of the initial franchise fee for the contractual obligations of the Company that have not yet been performed. For the year ended December 31, 2024, the company recognized $27,000 of initial franchise fee income and $50 of franchise license fee revenue on the Statement of Income and deferred franchise revenue of $582,950 on the Balance Sheet as of December 31, 2024.

NOTE 6 – RELATED PARTY TRANSACTIONS

As of December 31, 2024, $108,350 is due to an affiliate (see note 1) for cash advances and expenses paid by the affiliate on behalf of the Company. The loan has no repayments terms and is due on demand.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 14, 2025, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

THE NEW MOM SCHOOL FRANCHISING, LLC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

DECEMBER 31, 2023

(With Independent Auditors' Report Theron)

Divine Blalock Martin Sellari LLC
Est. in 1932

THE NEW MOM SCHOOL FRANCHISING, LLC
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Est. in 1932

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CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

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**REGULATED BY THE STATE OF FL AND
THE STATE OF TN
***REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF WI
*****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
******REGULATED BY THE STATE OF NJ
*******REGULATED BY THE STATE OF NY
********REGULATED BY THE STATE OF FL
AND THE STATE OF NC

INDEPENDENT AUDITORS' REPORT

To the Member of
The New Mom School Franchising, LLC
Southlake, TX

Opinion

We have audited the accompanying financial statements of The New Mom School Franchising, LLC (a Texas Limited Liability Company), which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in members' equity, and cash flows for the period from inception (February 2, 2023) to December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New Mom School Franchising, LLC as of December 31, 2023, and the results of its operations and its cash flows for the period from inception (February 2, 2023) to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 The New Mom School 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 The New Mom School 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 The New Mom School 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 The New Mom School 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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
February 28, 2024

THE NEW MOM SCHOOL FRANCHISING, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2023

Assets	
Current Assets	
Cash and cash equivalents	$ 25,452
Due from related party	9,000
Prepaid expenses	60,000
Total Current Assets	94,452
Software and website, net	33,660
Intangible asset, net	67,000
Total Assets	$ 195,112
Liabilities and Members' Equity	
Current Liabilities	
Accounts payable	$ 750
Accrued expenses	7,951
Deferred revenue - current portion	76,500
Total Current Liabilities	85,201
Deferred revenue - noncurrent portion	8,500
Total Liabilities	93,701
Members' Equity:	
Members' equity	101,411
Total Members' Equity	101,411
Total Liabilities and Members' Equity	$ 195,112

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENT OF INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2023

Revenue	
Initial franchise fees	$ -
Royalty fee	-
Total Revenue	-
Operating Expenses:	
Advertising	16,907
Bank charges	105
Duse & memberships	364
Other miscelaneous expenses	668
Professional fees	4,385
Total Operating Expenses	22,429
Income/(Loss) From Operations	(22,429)
Net Income/(loss)	$ (22,429)

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2023

Members' equity @ February 2, 2023	$ -
Members' contribution	123,840
Net income/(loss)	(22,429)
Members' equity @ December 31, 2023	$ 101,411

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

THE NEW MOM SCHOOL FRANCHISING, LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income/(loss)	$ (22,429)
Adjustments to reconcile Net income/(loss) to net cash used by operating activities:	
(Increase) Decrease in Operating Assets	
Prepaid expenses	(60,000)
Increase (Decrease) in Operating Liabilities	
Accounts payable	750
Accrued expenses	7,951
Deferred revenue	85,000
Total Adjustments	33,701
Net Cash Provided by Operating Activities	11,272
CASH FLOWS FROM INVESTING ACTIVITIES	
Software & website purchases	(33,660)
Intangible asset purchases	(67,000)
Net Cash Used in Investing Activities	(100,660)
CASH FLOWS FROM FINANCING ACTIVITIES	
Due from	(9,000)
Members' contribution	123,840
Net Cash Provided by Financing Activities	114,840
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,452
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 25,452

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

THE NEW MOM SCHOOL FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2023

NOTE 1 – BUSINESS ACTIVITY

The New Mom School Franchising, LLC, a Texas Limited Liability Company, was formed on February 2, 2023; the Company is in the business of offering franchises for the operation of a business that provides postnatal support and education to others and their children. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to The New Mom School Franchising, LLC.

Affiliate

The New Mom School, Inc., a California corporation formed in 2012. The New Mom School, Inc has continuously owned and operated a similar business to the franchises being offered. The New Mom School, Inc. does not offer any franchises in any line of business or provide products or services to franchises.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Customer accounts receivable are stated at the amount management expects to collect on balances. The Company uses the direct write-off method for bad debts; management closely monitors outstanding balances and writes off, as of year-end, any balances that are considered to be uncollectible. Bad debts amounted to $0 for the period ended December 31, 2023.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. As of December 31, 2023, property and equipment consisted of Software & Website costs in the amount of $33,660 and will begin being depreciated in 2024.

Intangible Assets

Intangible assets are stated at cost. Amortization generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. As of December 31, 2023, intangible assets consisted of costs to create the franchise system in the amount of $67,000 and will begin being amortized in 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the year ended December 31, 2022. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation in the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties and marketing fund fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- *Review & advise regarding potential locations and designate your territory*.
- *Provide site selection guidelines and criteria and provide site selection assistance to determine an acceptable location.*
- *Provide you with specifications including a list of approved suppliers for signs*, *fixtures*, *equipment*, *parts computer system*, *vehicle and suppliers.*
- *Access to the Confidential Operations Manual*.
- *Provide an initial training program*.
- *Review pre-opening business plan and financial projections*.
- *Advise on the planning and execution of the market introduction plan*.

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value of Financial Assets and Liabilities, continued

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs (e.g., commissions). The new standard is effective for annual reporting periods beginning after December 15, 2021, including interim reporting periods within those annual reporting periods. The adoption will require a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest period presented. Effective February 2, 2023, the Company adopted the new lease standard. At December 31, 2023 the Company had no lease agreements in place.

NOTE 3 – PREPAID FRANCHISE EXPENSES

Deferred expenses represent expenses paid to assist franchisee's in getting their business open. This includes marketing, advertising & social media costs. These costs are fully recognized when Franchisees open their doors. The amount deferred as of December 31, 2023 was $60,000.

NOTE 4 – DEFERRED FRANCHISE REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. These revenues are fully recognized when Franchisees open their doors. A portion of the initial franchise fee is allocated to the license fee and amortized over the life of the contract. The total amount deferred as of December 31, 2023 was $85,000.

NOTE 5 – RELATED PARTY TRANSACTIONS

As of December 31, 2023, $9,000 was due from the Company's affiliate (see note 1) for cash advances and expenses paid on behalf of the affiliate by the Company.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

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

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 28, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

EXHIBIT F TO DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

New Mom School
Franchise Brand Standards Manual
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EXHIBIT G TO DISCLOSURE DOCUMENT

CURRENT AND FORMER FRANCHISEES

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all New Mom School franchisees as of December 31, 2025 who are operational:

Arizona:

1. JKKW Enterprises LLC
   SanTan Village Regional Center
   2168 E. Williams Field Road, Suite 2210
   Gilbert, Arizona 85295
   Kylie.west@newmomschool.com
   Jacquie.koopman@newmomschool.com

California:

1. HuluChi LLC
   2675 Irvine Avenue #114
   Costa Mesa, California 92627
   becca.kushner@newmomschool.com

2. Daniela M LLC
   11940 Foothill Blvd., Suite 206
   Rancho Cucamonga, California 91739
   daniela.mejia@newmomschool.com

3. MVP NMS North OC LLC*
   10900 Los Alamitos Blvd., Suite 142
   Los Alamitos, California 90720
   vivian.potter@newmomschool.com

4. SB Family Beginnings, LLC
   162 S. Rancho Sante Fe, Suite B70
   Encinitas, California 92024
   shir.barton@newmomschool.com

5. Morphing Mommy LLC
   880 Hampshire Road, Suite D
   Westlake Village, California 91361
   stephanie.karlubian@newmomschool.com

6. OC Moms Club LLC
   18200 Yorba Linda Blvd., Suite 204
   Yorba Linda, California 92886

marisa.burdi@newmomschool.com

7. RLD Ventures LLC*
   15466 Los Gatos Blvd., #203
   Los Gatos, California 95032
   riya.dhaliwal@newmomschool.com

8. C.R. Valdes, LLC
   26731 Aliso Creek Road, Suite 205
   Aliso Viejo, California 92656
   courtney.valdes@newmomschool.com

9. San Diego Parent Education LLC
   2751 Roosevelt Road, Suite 204
   San Diego, California 92106
   lauren.lucas@newmomschool.com

Connecticut:

1. The Mom Crew LLC*
   25 Sylvan Road S, Unit U
   Westport, Connecticut 06880
   abby.dixon@newmomschool.com

Missouri:

1. KKoala, LLC
   2821 North Ballas Road, Suite 220
   St. Louis, Missouri 63131
   ali.kochtanek@newmomschool.com

Nevada:

1. Gemma Management LLC
   9055 W. Post Road, Suite C
   Las Vegas, Nevada 89148
   aly.hanneke@newmomschool.com

New Jersey:

1. DTS Peninsula Ventures LLC*
   174 Patterson Avenue
   Shrewsbury, New Jersey 07702
   danielle.sherrill@newmomschool.com

North Carolina:

1. Mom Vibes L.L.C.*
   14825 Ballantyne Village Way, Suite 250
   Charlotte, North Carolina 28277
   britta.veneziano@newmomschool.com

Oklahoma:

1. Buckingham Investments LLC
   217 E. Campbell Street, #214A
   Edmond, Oklahoma 73034
   jaclyn.buckingham@newmomschool.com

Oregon:

1. Ema Kool LLC
   4500 Kruse Way, Suite 170
   Lake Oswego, Oregon 97035
   liberty.planck@newmomschool.com

South Carolina:

1. Mom Vibes L.L.C.
   280 W. Coleman Blvd.
   Mount Pleasant, South Carolina 29464
   britta.veneziano@newmomschool.com

2. New Parent EDU LLC
   530 Howell Road, Suite 109
   Greenville, South Carolina
   Nicole.parmelee@newmomschool.com

Tennessee:

1. The Rising Tide Collective LLC*
   416 Woodland Street
   Nashville, Tennessee 37206
   megan.schorgl@newmomschool.com

Texas:

1. MD Flannery LLC*
   23108 Seven Meadows Parkway, Suite 250
   Katy, Texas 77494
   danielle.flannery@newmomschool.com

(b) **Franchises Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all New Mom School franchisees as of December 31, 2025 who are not yet operational but have signed a Franchise Agreement:

California:

1. MVP NMS South Bay LLC*
   541 A. N. Pacific Coast Highway
   Redondo Beach, California 90277
   vivian.potter@newmomschool.com

2. RLD Ventures LLC*
   Foster City, California 95032
   riya.dhaliwal@newmomschool.com

3. OC Moms Club LLC
   18200 Yorba Linda Blvd., Suite 204
   Yorba Linda, California 92886
   marisa.burdi@newmomschool.com

4. Moms Matter LLC
   658 N. Larchmont Blvd.
   Los Angeles, California 90038
   stephanie.marker@newmomschool.com

5. Moms Matter LLC
   Culver City, California 90038
   stephanie.marker@newmomschool.com

6. New Bloom Wellness LLC
   Pasadena, California
   purvi.patel@newmomschool.com

Colorado:

1. Bloom and Bond Collective LLC
   Denver, Colorado
   kathryn.ost@newmomschool.com

Connecticut:

1. The Mom Crew LLC*
   Greenwich, Connecticut
   abby.dixon@newmomschool.com

Florida:

1. Mater Bloom LLC
   Fort Lauderdale, Florida
   maria.sayers@newmomschool.com

Georgia:

1. OT Mamas LLC
   Sandy Springs, Georgia
   shree.patel@newmomschool.com
   nisha.patel@newmomschool.com

New Jersey:

1. DTS Peninsula Ventures LLC*
   Summit, New Jersey
   danielle.sherrill@newmomschool.com

North Carolina:

1. Mom Vibes L.L.C.*
   Charlotte, North Carolina
   britta.veneziano@newmomschool.com

Pennsylvania:

1. 215 Ventures LLC
   255 South 17th Street, Suite 1700
   Philadelphia, Pennsylvania 19103
   eva.alminana@newmomschool.com

Tennessee:

1. The Rising Tide Collective LLC*
   Nashville, Tennessee
   megan.schorgl@newmomschool.com

Texas:

1. F&F Collective LLC*
   1223 W. 34th Street, Suite C-A400
   Houston, Texas 77018
   danielle.flannery@newmomschool.com

2. F&F Collective LLC*

Houston, Texas 77018
danielle.flannery@newmomschool.com

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a New Mom School Franchise Agreement during the most recently completed fiscal year (January 1, 2025 to December 31, 2025) or who have not communicated with us within ten weeks of the date of issuance of this Disclosure Document:

None.

*Indicates a Multi-Unit Developer

EXHIBIT H TO DISCLOSURE DOCUMENT

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

Item 3 of the Disclosure Document is amended by adding the following paragraph:

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

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60-day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

Item 19 of the Disclosure Document: The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

The franchise agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

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

The franchise agreement requires binding arbitration. The arbitration will occur at Orange County, California, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective franchisees are encouraged to consult private

legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.newmomschool.com.

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

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a requirement for us to maintain a surety bond under California Corporations Code section 31113 and 10 C.C.R. section 310.113.5, which must remain in effect during our registration period. The surety bond is in the amount of $765,000 with Travelers Casualty and Surety Company of America and is available for you to recover your damages in the event we do not fulfill our obligations to you to open your franchised business. We will provide you with a copy of the surety bond upon request.

Negotiated Changes Pursuant to California Code Section 31109.10:

1. For one California franchisee, Franchisor has agreed to adjust the minimum royalties to reflect the current minimum amounts of $1,500 per month during the third year of the Franchise Agreement and $2,000 per month thereafter during each year of the Franchise Agreement.

Copies of the negotiated terms are available upon written request by contacting our CEO Alexandra Spitz, The New Mom School Franchising, LLC, 24672 Royale Ridge, Laguna Niguel, CA 92677, (310) 560-3939, alex@newmomschool.com.

No statement, questionnaire, or acknowledgement 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.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

No statement, questionnaire, or acknowledgement 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.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law applies.

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

3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. Franchisor has posted a surety bond with the Illinois Attorney General equal to the Initial Franchise Fee multiplied by the number of units that franchisor projects to open this fiscal year in Illinois. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

6. No statement, questionnaire or acknowledgement 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 behalf of 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.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

4. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

5. No statement, questionnaire, or acknowledgement 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.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that an Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a Franchisee to assent to a general release.

- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

- The Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Item 5 and Item 7 are amended to include the following: "The Initial Franchise Fee and other initial payments owed by franchisees to Franchisor shall be deferred until the Franchisor has completed its pre-opening obligations under the Franchise Agreement and franchisee has commenced operations of its Franchised Business."

No statement, questionnaire, or acknowledgement 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 with the franchise.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE 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 DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national

securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

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

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

6. Franchise Questionnaires and Acknowledgements—No statement, questionnaire, or acknowledgement 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 om 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.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the Franchise Agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the Franchise Agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the Franchisee sign a general release upon renewal of the Franchise Agreement does not apply to Franchise Agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the Franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 17(i) of the Disclosure Document is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

Item 17(r) of the Disclosure Document is amended to also provide as follows: “Covenants not to compete are generally considered unenforceable in the State of North Dakota.”

Item 17(u) of the Disclosure Document is amended to also provide as follows: “All arbitration or mediation required under the Franchise Agreement and Development Rights Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee’s Franchised Business.”

Item 17(v) of the Disclosure Document is amended to provide as follows: “You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of the Franchise Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”

Item 17(w) of the Disclosure Document is amended to provide: “North Dakota law governs any cause of action under the Franchise Agreement.”

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a Franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all Franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Item 5 of the Disclosure Document is amended to include the follow: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement."

No statement, questionnaire, or acknowledgement 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 with the franchise.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any

provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Item 5 and 7 are amended to state the following: "The Franchisor has obtained a $100,000 surety bond. The Washington Securities Division has made the issuance of the Franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administration until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the Franchise Agreement or the Franchise Disclosure Document, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary,

Item 6 is amended to provide that liquidated damages will be equal to the expected royalty fees for the lesser of two years or the remainder of the Franchise Agreement.

WISCONSIN ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

   If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT I TO DISCLOSURE DOCUMENT

STATE RIDERS AND ADDENDUMS TO AGREEMENTS

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Section 14.2(c) is deleted and in its place are substituted the following:

14.2 (c) Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 14.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

> **14.2(b)Termination by Us with Opportunity to Cure**. We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a requirement for us to maintain a surety bond under California Corporations Code section 31113 and 10 C.C.R. section 310.113.5, which must remain in effect during our registration period. The surety bond is in the amount of $765,000 with Travelers Casualty and Surety Company of America and is available for you to recover your damages in the event we do not fulfill our obligations to you to open your franchised business. We will provide you with a copy of the surety bond upon request.

No statement, questionnaire, or acknowledgement signed or agreed to by 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.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

ILLINOIS RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

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

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

5. Franchisor has posted a surety bond with the Illinois Attorney General equal to the Initial Franchise Fee multiplied by the number of units that franchisor projects to open this fiscal year in Illinois. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

6. No statement, questionnaire or acknowledgement 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.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Termination upon bankruptcy of the franchisee may not be enforceable under 11 U.S.C. Section 101 *et. seq*.

6. No statement, questionnaire, or acknowledgement 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.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

MINNESOTA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may <u>seek</u> injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Section 4.1 of the Franchise Agreement and Section 1 of the Multi-Unit Development Agreement are amended to include the following: "The Initial Franchise Fee and other initial payments owed by franchisees to Franchisor shall be deferred until the Franchisor has completed its pre-opening

obligations to the franchisee and franchisee has commenced operations of its Franchised Business."

No statement, questionnaire, or acknowledgement 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 with the franchise.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

   "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

   "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

4. North Dakota law governs any cause of action arising out of the franchise agreement.

5. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. The Franchise Agreement is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

7. The Franchise Agreement is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

8. The Franchise Agreement shall be modified to state that the statute of limitations under North Dakota law shall apply.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

RHODE ISLAND RIDER TO FRANCHISE AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

FRANCHISEE:

By: _____

Date: _____

THE NEW MOM SCHOOL FRANCHISING, LLC

By: _____

Date: _____

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Section 4.1 of the Franchise Agreement is amended to include the following: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement."

2. Section 1 of the Multi-Unit Development Agreement is amended to include the following: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to Franchisor until the Franchisor has completed its pre-opening obligations under the Multi-Unit Development Agreement."

3. No statement, questionnaire, or acknowledgement 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 with the franchise.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

WASHINGTON RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent

contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Section 4.1 of the Franchise Agreement and Section 1 of the Multi-Unit Development Agreement are amended to include the following: "The Franchisor has obtained a $100,000 surety bond. The Washington Securities Division has made the issuance of the Franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administration until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the Franchise Agreement or the Franchise Disclosure Document, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary."

Section 4.14 of the Franchise Agreement shall be amended to include the following: "Franchisor will only manage your Business for no more than six months."

Section 13.2(c) of the Franchise Agreement is amended to the following: "The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of

Franchisor. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance."

Section 14.5 of the Franchise Agreement is amended to provide that liquidated damages will be equal to the expected royalty fees for the lesser of two years or the remainder of the Franchise Agreement.

Section 14.5 of the Franchise Agreement is further amended to remove the following language: "Franchisee acknowledges that a precise calculation of the full extent Franchisor's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable."

Article 16 of the Franchise Agreement is amended to state that the franchisee's obligations to indemnify, defend, reimburse, and hold harmless do not extend to liabilities cause by the Franchisor's or the Indemnities negligence, willful misconduct, strict liability or fraud.

Section 17.2 of the Franchise Agreement will not apply to Washington franchisees.

Section 17.4 of the Franchise Agreement will not apply to Washington franchisees.

Article 19 of the Franchise Agreement will not apply to Washington franchisees.

This Washington Addendum applies to the Franchise Agreement, Multi-Unit Development Agreement and all related agreements.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

WISCONSIN ADDENDUM TO THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Franchise Agreement or Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement or Multi-Unit Development Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement or Multi-Unit Development Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:	**THE NEW MOM SCHOOL FRANCHISING, LLC**
By: _____	By: _____
Date: _____	Date: _____

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
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	October 17, 2025
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If The New Mom School 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 requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If The New Mom School 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, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Alexandra Spitz, Amy Leclerc, Carly David, and Mahri Lusby	24672 Royale Ridge, Laguna Niguel, CA 92677	(310) 560-3939

Issuance Date: April 20, 2026

I received a Disclosure Document dated April 20, 2026, that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Exhibits)
C. Multi-Unit Development Agreement
D. Form of General Release
E. Financial Statements
F. Operations Manual Table of Contents
G. Current and Former Franchisees
H Addenda to Disclosure Document
I. State Addenda to Agreements

Signature: _____ Date Received: _____
Print Name: _____

Keep This Copy for Your Records

RECEIPT

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Signature: _____ Date Received: _____
Print Name: _____

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