

FRANCHISE DISCLOSURE DOCUMENT

Bubble Bus Franchise LLC
Missouri limited liability company
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St. Louis, MO 63119
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As a franchisee you will operate a business centered around a “Peace, Love and Bubbles” theme including a colorful, graffiti-painted wrapped bus set up to operate both daylight and blacklight bubble events such as at festivals, concerts, parades, school events, birthday parties, daycare events, senior living events, and other types of celebrations.

The total investment necessary to begin operations of a Bubble Bus Business is between \$121,000 and \$147,250. This includes \$68,400-\$80,550 that must be paid to the franchisor or its affiliates. In addition, if you sign a Multi-Unit Development Agreement, you must pay to the franchisor an additional \$10,000 for each additional Bubble Bus Business that you agree to develop.

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, contact Franchise Department, 810 Meramec Station Road, St. Louis, MO 63088, 844- Bubble-Fun (844-282-2533).

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 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 “*Buying A Franchise: A Consumer Guide*,” 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, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 27, 2023

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 will 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 and Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit F include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only Bubble Bus business in my market?	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 Bubble Bus franchisee?	Item 20 and Exhibit E list 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*

Consider these facts about franchising before investing in any franchise:

1. **Losses and personal liability.** You may have to pay royalties and other fees even if your franchise is losing money.
2. **Additional investment.** 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 franchised business or may adversely impact the operation of your franchised business
3. **Operating restrictions.** The franchise agreement may prohibit you from operating a similar business both during the term of the franchise and after the franchise ends. If so, you would be unable to operate a similar business after the franchise ends even if you still have obligations to your landlord or other creditors.
4. **When your franchise ends.** Your franchise agreement may not permit you to renew. Even if it does, most franchise agreements do not allow you to renew on the same terms and conditions. You may have to sign a new agreement with different terms and conditions in order to continue to operate your franchised business.
5. **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.

Some States Require Registration

Your state may have a franchise 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 G.

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 Missouri. 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 Missouri than in your own state.
2. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
3. **Supplier Control.** You must purchase all or nearly all of the inventory and supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.
4. **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.

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.

BUBBLE BUS FRANCHISE LLC
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BUBBLE BUS FRANCHISE LLC

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

To simplify the language in this franchise disclosure document “us” “our” or “we” means Bubble Bus Franchise LLC, the franchisor. “You” or “your” means the person or entity that buys the franchise. If you are a corporation, partnership or limited liability company, “you” or “your” also means the shareholders of the corporation, partners of the partnership or members and managers of the limited liability company, where applicable, and their spouses each of whom must sign a personal guaranty.

Background of Us and Our Affiliates

We are a Missouri limited liability company which was formed on October 16, 2014. Our principal place of business is 810 Meramec Station Road, St. Louis, MO 63088. We do not currently do business under any name other than Bubble Bus Franchise LLC.

Our affiliate, JVR Enterprises, LLC is a limited liability company organized in Missouri on or about April 15, 2005 (“JVR”). It has been operating the same type of business you will operate in the St. Louis, Missouri metropolitan area since 2009. Its principal place of business is 7244 Devonshire Avenue, St. Louis, MO 63119. JVR owns the Marks (as defined below) and System (as defined below) and licenses the right to use and sublicense the Marks and System under a License Agreement described in greater detail in Item 13. JVR will also sell you the equipment to outfit your Vehicle (as defined below) and will be the exclusive supplier of the bubble fluid you will use in the operation of your business.

Agent for Service of Process

Our agents for service of process and their principal place of business addresses are disclosed in Exhibit G.

The Business

The franchisee will operate a business centered around a “Peace, Love and Bubbles” theme including a colorful, graffiti-painted wrapped bus set up to operate both daylight and blacklight bubble events such as at festivals, concerts, parades, school events, birthday parties, grand openings, daycare events, senior living events, and other types of celebrations under the Marks (as defined below) and in accordance with the System (as defined below). You will operate the Bubble Bus Business using the System and Marks as described in the Franchise Agreement which is attached as Exhibit A (the “Franchise Agreement”). “Marks” means the service marks, trademarks, trade dress, trade names and copyrights and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of the Franchised Business (defined below). Currently, the Marks include “Bubble Bus”, “Tekno Bubbles” and the Smiley Face Design. “System” means the specially developed method of operating a business centered around a “Peace, Love and Bubbles” theme including a colorful, graffiti-painted wrapped bus set up to operate both daylight and blacklight bubble events such as at festivals, concerts, parades, school events, birthday parties, grand openings, daycare events, senior living events, and other types of celebrations under the Marks, using certain business formats, Services, methods, procedures, designs, marketing and sales procedures, standards and specifications, which may be changed, improved, modified and further developed by us or our affiliates from time to time. The wrapped bus does not transport passengers and serves as a backdrop to the bubble event. The equipment is capable of producing tens of thousands of

bubbles a minute and can be viewed from a great distance. You will do business under the fictitious or assumed name of "Bubble Bus." References to "Bubble Bus Business" means any business operating under the Marks and the System regardless of whether it is operated by a licensee, franchisee, affiliate or us. "Franchised Business" means the business you operate under the System and Marks and according to the terms and conditions of the Franchise Agreement. "Services" means the types of services that you are permitted and/or required to perform in the operation of the Franchised Business. At the present time, such Services consist of providing bubbles, smoke filled bubbles, large bubbles, black light bubbles, UV make-up and body art (optional) and music and selling licensed merchandise. We reserve the right to modify, change and add to the types of Services that may be provided by the Franchised Business, from time to time, and the right to include the sale of certain products in connection with the provision of such Services. "Vehicle" means the colorful, graffiti-painted wrapped vehicle with a "Peace, Love and Bubbles" theme and outfitted with the required equipment and products which you will use in your Franchised Business. The Vehicle must be of an approved brand and model.

We offer a single unit franchise to operate one Bubble Bus Business. If we approve you as a franchisee, you will sign a Franchise Agreement. In no event will you be a franchisee until we have signed a Franchise Agreement that you have signed. Typically, you will operate the office for your Franchised Business from your home, but you are permitted to lease office space. You are required to have a mailing address (not a P.O. Box) within the Protected Territory for each Bubble Bus Business you own and operate. Depending on your local laws, you may be required to rent garage space for your Vehicle.

If you wish to operate more than one Bubble Bus Business within a defined Development Territory, we may agree to permit you to open additional Bubble Bus Businesses under a Multi-Unit Development Agreement ("Multi-Unit Development Agreement"), in the form attached as Exhibit B. Under a Multi-Unit Development Agreement, you must make a commitment to sign separate Franchise Agreements for, and open, the number of Bubble Bus Businesses that we agree upon, according to a Development Schedule.

The Services offered by Bubble Bus Businesses are used primarily by the general public of all ages for parties, by organizers for festivals, grand openings, fairs, parades, by schools and daycare centers for their parties and by other commercial businesses for their events. The market for this type of entertainment service is a new market and your Franchised Business will have to compete with other types of entertainment event providers including magicians, photo booths, inflatables, disc jockeys and carnival activities, as well as other businesses and entertainment providers and facilities that compete for the entertainment dollar. The market for this service is not seasonal.

Industry Regulations

There are no laws which are specific to the Bubble Bus Business. However, you must comply with all of the state, federal and local laws, rules, regulations, ordinances and requirements to operate your Franchised Business and you are responsible for knowing the state, federal and local laws, rules, regulations, ordinances and requirements that apply to your Franchised Business. You should thoroughly investigate and consult with an attorney regarding all applicable laws and regulations which might impact your Franchised Business before purchasing a franchise from us. There will be licensing regarding your Vehicle and the person driving the Vehicle. These requirements and licenses may vary depending on your local and state laws.

Our Business Experience

We began offering franchises in March 2015. We have not conducted a business of the type you will be operating; however, JVR, our affiliate, has operated a business similar to the Franchised Business since 2005. Our affiliates have not offered franchises similar to the Franchised Business. We are not involved in any other business other than franchising Bubble Bus Businesses and providing products and services to our franchisees. Neither we, nor any of our affiliates have offered franchises in other lines of businesses.

ITEM 2 BUSINESS EXPERIENCE

President and Chief Executive Officer: John V. Reider

Since its inception in October 2014, Mr. Reider has been one of our shareholders and directors and has been our President and Chief Executive Officer.

Since its inception in April 2005, Mr. Reider has been the sole shareholder and President of JVR Enterprises, LLC.

Since its inception in June 1994, Mr. Reider has been the President of IntelliPower, Inc.

Each position is in St. Louis, MO.

Chief Financial Officer: Elizabeth R. Reider

Since its inception in October 2014, Ms. Reider has been one of our shareholders and our Chief Financial Officer.

Since its inception in April 2005, Ms. Reider has been the Chief Financial Officer of JVR Enterprises, LLC.

Since its inception in June 1994, Ms. Reider has been the Treasurer of IntelliPower, Inc.

Each position is in St. Louis, MO.

Operation and Technical Manager: Kevin Gruenewald

Since March 2017, Mr. Gruenewald has been our Operation and Technical Manager.

Since April 2005, Mr. Gruenewald has been the Operation and Technical Manager of JVR Enterprises, LLC.

Since July 2003, Mr. Gruenewald has been the Lead Technician/Installer for IntelliPower, Inc.

Each position is in St. Louis, MO.

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

You must pay us an initial franchise fee of \$18,000 in a lump sum when you sign the Franchise Agreement (“Initial Franchise Fee”). This will grant you the right to operate one Vehicle to provide the Services within a protected territory with between 100,000 to 150,000 households (“Protected Territory”). At the time you sign the Franchise Agreement, you may also purchase contiguous protected territories for \$10,000 each upon signing separate franchise agreements. Each additional protected territory must be open for business with an additional vehicle within 12 months of the opening of the previous Protected Territory. If you wish to purchase an additional Protected Territory at any later date, your Initial Franchise Fee will be \$15,000 and you will be required to sign a separate Franchise Agreement. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances.

If you will operate under a Multi-Unit Development Agreement, you must sign our Multi-Unit Development Agreement and you must pay a fee (the “Multi-Unit Development Fee”) equal to (i) \$18,000 for the first Bubble Bus Business and (ii) \$10,000 for each subsequent Bubble Bus Businesses you agree to develop. The Multi-Unit Development Fee is fully earned when paid and it is not refundable under any circumstances. However, when a Franchise Agreement is executed, we will credit you (i) \$18,000 for the first Franchise Agreement and (ii) \$10,000 for each subsequent Franchise Agreement you and we execute towards the Initial Franchise Fee that would otherwise be payable for each such Franchise Agreement, but the total of all credits will not exceed the total amount of the Multi-Unit Development Fee, which means that no additional fees will be due or payable at the time of signing the Franchise Agreements(s).

As described in Items 8 and 11, you will contract with us or our affiliate to purchase certain equipment and products to be used in the operation of your Franchised Business. Your Vehicle must be sent to us prior to your attendance at the initial training program. We will have the Vehicle wrapped and the cargo interior outfitted by an approved supplier; however, you are required to pay the supplier directly for the vehicle wrap and cargo interior.

You will be required to pay us or our affiliate for the following:

The estimate costs of equipping the Vehicle with all of the required equipment, including interior shelving, LED lighting, cargo sidewalls, custom rubber flooring, tote system, parade platform and utility hitch and a stock of initial inventory ranges from approximately \$46,000 - \$49,500. The initial inventory includes the initial inventory of fluids (plain bubble fluid, gold tekno bubbles fluid, blue tekno bubble fluid, big bubble fluid and smoke machine fluid) and the initial makeup package (including face paints, neon hair spray, sponges, towels and mirrors). In addition, if you purchase a Custom Bubble Cart with Truss System (which is optional), the additional cost will be approximately \$8,650, making the estimated range for the total costs of equipping the vehicle \$48,650 - \$52,150.

All of these amounts listed above are not refundable under any circumstances.

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ITEM 6 OTHER FEES*

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee (Note 1)	If this is your first franchise, first 6 months – none; \$750 per quarter for last 2 quarters of the 1st year; \$825 per quarter for each quarter during the 2nd year of this Agreement; \$900 per quarter during years 3-5. On renewal, the Royalty Fee will remain at \$900 per quarter for years 1 and 2 under the Renewal Franchise Agreement, and increase to \$1,000 per quarter for years 3 – 5.	Payable on 10 th day of the month following the end of each quarter	Payments to be made either via electronic funds transfer (“EFT”) or other methods we determine
Advertising Fee (Note 1)	\$150 per month	Payable on the 10 th day of each month	If we establish a National Advertising Fund, these payments to be made either via electronic funds transfer (“EFT”) or other methods we determine
Product Purchases (Note 2)	Price List	Upon demand	Payment must include cost of goods, taxes, and shipping and handling
Transfer Fee	\$5,000 (plus \$1,000 per undeveloped Unit under a Multi-Unit Development Agreement)	Prior to consummation of transfer	Payable when you sell your franchise, an interest in you or assets of your Franchised Business
Renewal Fee	\$2,500	At the time of renewal	Payable when you renew the Franchise Agreement
Additional Training and Assistance (Note 3)	Fee and all expenses	Upon request or as we require	This is for additional training we may provide from time to time or additional on-site assistance that you need or request

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Testing for Supplier Approval	Reasonable fee not to exceed \$500	Upon demand	Only if you request that a supplier be approved
Interest on late payments (Note 4)	Lesser of 1 ½% per month or maximum legal rate	Upon demand	Payable on all overdue amounts to us or our affiliates
Technology Fee	Currently \$0	Upon demand	Because of the rapid changes to technology, we reserve the right to charge you a reasonable fee to off-set the costs incurred by us or our affiliates to implement and maintain new technologies.
Taxes (Note 5)	Actual cost	Upon demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our affiliates
Liquidated Damages	\$500 per day until the unauthorized actions are corrected	Upon demand	Payable if you fail to use the approved products or equipment, dilute the bubble fluid, or fail to bring the Vehicle to the event where you are entertaining (“Improper Event”)
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Franchised Business operation
Costs and Attorneys’ Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement, and we have to seek assistance to enforce the Agreement.
“Mystery Shopper” Fees	Will vary under circumstances	As incurred	If you fail an evaluation by us or by a mystery shopper or if we receive a specific customer complaint, you must pay the costs and expenses of subsequent “mystery shopper” visits.

* All fees are imposed by and are payable to and collected by us or our affiliates. All fees are non-refundable. All fees are uniformly imposed on all franchisees.

Note 1: Royalty Fee; Advertising Fee. You are required to pay us a quarterly Royalty Fee after the first 6 months of the Franchise Agreement for your first franchise. The amount of the Royalty Fee is \$750 per quarter for last 2 quarters of the first year of the Franchise Agreement, \$825 per quarter for each quarter during the 2nd year of the Franchise Agreement. If this is not your first franchise, then the Royalty Fee is \$750 per quarter for the entire first year. The Royalty Fee increases in years 3-5 of the Franchise Agreement to \$900 per quarter. The term year means “twelve months”. Notwithstanding the foregoing, if you sign a Multi-Unit Development Agreement or if you or one of your affiliates sign additional franchise agreements, the Royalty Fee for the second and subsequent Units will not be waived for the first 6 months and will be \$750 per quarter for the entire first 12 months of the Franchise Agreement. On renewal of the Franchise Agreement, the Royalty Fee will remain at \$900 per quarter for years 1 and 2

under the Renewal Franchise Agreement, and increase to \$1,000 per quarter for years 3 through 5 of the Renewal Franchise Agreement and for the entire second renewal term. We reserve the right to charge you an Advertising Fee of \$150 per month if we establish a National Advertising Fund which will be due on the 10th day of each month.

You will comply with the procedures specified in the Confidential Operations Manual or as otherwise communicated to make payments via EFT and will perform the acts and sign the documents, including authorization forms, that we, our bank, and your bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, you will pay all costs associated with utilizing an EFT payment program. You will have adequate funds in your account in order to pay the Royalty Fees and Advertising Fees when due and you must provide us with a valid credit card to charge products and equipment purchases.

Note 2: Product Purchases. Currently, you must purchase certain items from us or our affiliates, such as certain equipment, bubble fluid and branded merchandise. (See Item 8) The price and terms and conditions for these purchases are contained on the price list that we or our affiliates will supply to you from time to time ("Price List"). The Price List will be included in the Manual. We reserve the right, for ourselves and our affiliates, to update the Price List and change the terms and conditions for these purchases at any time on 30 days' notice. All of the individuals who guarantee the Franchise Agreement must also guarantee all of your purchases from us or our affiliates. You must pay for all taxes, shipping and handling costs. If you fail to pay for any products or equipment when payment is due, in addition to requiring you to pay late fees and interest, we and our affiliates can require you to pay for future products and/or equipment on a C.O.D. basis or withhold shipment.

You are required to purchase the following minimum amount of bubble fluids from us or our affiliate on an annual basis: Year 1 of the Franchise Agreement, you must purchase the initial inventory and an additional 120 gallons. Years 2-3 of the Franchise Agreement you must purchase a minimum of 600 gallons per year. Years 4-5 of the Franchise Agreement, you must purchase a minimum of 900 gallons per year. If you sign a Renewal Franchise Agreement, you must purchase a minimum of 900 gallons per year for years 1-2 of the Renewal Franchise Agreement and a minimum of 1,200 gallons per year for years 3-5 of the Renewal Franchise Agreement. We reserve the right to modify the amounts and types of products in the minimum purchase requirement, including, without limitation, a concentrated form of the bubble fluids, but in no event will the costs of the minimum amounts of bubble fluids increase more than 15% in any single year. In the event we substitute a concentrated form of bubble fluids, the minimum purchase requirements will be based upon the amount the concentrated form produces after dilution.

If, at the end of each year you have failed to purchase the minimum amounts of products required, we will send you the amount of the deficiency, and you will be required to pay the price for the remainder of the minimum fluids at your sole cost and expense. We reserve the right to test your bubble fluids and concentrates at any time without notice to you in order to ensure product quality, customer safety and overall brand integrity. We reserve the right to change the amounts and types of minimum product purchases you must make, but in no event will the cost of the minimum amounts of bubble fluids increase more than 15% in any single year.

Note 3: Additional Training and Assistance Fees. We reserve the right to charge you a reasonable amount for any training we provide to you, your managers or employees in addition to the initial training described in Item 11. You will also be responsible for any salaries, travel, meal, incidental, and lodging expenses incurred by persons conducting the training programs and attending the training program. We will make available continuing advisory assistance in a manner as we deem appropriate, and we can

charge a reasonable fee for it. If you request that we send a representative to your location, we will charge you a reasonable fee and will seek reimbursement of our travel expenses.

Note 4: Interest. You must pay us interest on any amounts past due to us or our affiliates, including Royalty Fees, Advertising Fees and product purchases. The rate of interest will be the lesser of 1½% per month or the maximum legal rate in the jurisdiction where your Protected Territory is located.

Note 5: Taxes. You agree to indemnify and/or reimburse us and our affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the operation of the Franchised Business or the license of any of our or our affiliates' intangible property to you (whether required to be paid by us or our affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our affiliates for taxes does not extend to income-type taxes which a state or local government imposes on us or our affiliates' income.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT (Low-High Range)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	\$18,000	Lump Sum	Upon signing the Franchise Agreement	Us
Vehicle (Note 2)	\$36,000 - \$40,000	As arranged	Monthly	Auto dealer
Optional Garage Expense (Note 2)	\$0-\$900	As arranged	Monthly	Garage owner
Vehicle Wrap, Interior Build-out and Shipping (Note 3)	\$13,100-\$15,000	As arranged	Before Opening	Designated Suppliers
Office Equipment, Supplies and Computer Hardware and Software (Note 4)	\$ 2,000 \$ 2,500	As incurred	Before Opening	Suppliers
Initial Equipment, Product Inventory and Branded Merchandise (Note 5)	\$46,000 – \$49,500	As incurred	Before opening	Us/Our Affiliates

TYPE OF EXPENDITURE	AMOUNT (Low-High Range)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Business Licenses and Permits, Vehicle Tax, License and Title	\$ 500 – \$ 2,500	As incurred	Before Opening	Government Agencies and Organizations
Professional Fees	\$ 1,000 – \$ 4,000	As incurred	Before Opening	Attorney and accountant
Insurance – quarterly (Note 6)	\$ 900 – \$ 1,200	Lump Sum	Before Opening	Insurance agent
Initial Training Expenses (Note 7)	\$ 500 – \$ 1,000	Lump Sum	Before Opening	Airlines, hotels, etc.
Grand Opening Advertising	\$ 1,500 – \$ 2,000	As incurred	60 days after opening	Suppliers
Additional Funds – 3 months (Note 8)	\$ 1,500 – \$ 2,000	As incurred	As arranged	Suppliers, wages.
Custom Bubble Cart with Truss System (Optional)	\$0 - \$8,650	As incurred	As arranged	Us/Our Affiliates
TOTAL (Note 9)	\$121,000- \$147,250			

The chart above describes the estimated initial investment for a Bubble Bus Business operated from a home office. We strongly suggest that you operate from a home office when you are getting started. If you operate your Franchised Business from a leased location, your expenses will increase. We have no basis to estimate the cost of leasing a location, but you will not typically require more than a single office. Office sharing arrangements exist in most metropolitan areas.

Note 1. Initial Franchise Fee. The Initial Franchise Fee is \$18,000 and is described in greater detail in Item 5. If you sign a Multi-Unit Development Agreement with us, then you must pay us a nonrefundable Multi-Unit Development Fee when you sign the Multi-Unit Development Agreement. The Multi-Unit Development Fee will equal (i) \$18,000 for the first Bubble Bus Business and (ii) \$10,000 for each subsequent Bubble Bus Businesses you agree to develop. The Multi-Unit Development Fee is fully earned when paid and it is not refundable under any circumstances. However, when a Franchise Agreement is executed, we will credit you (i) \$18,000 for the first Franchise Agreement and (ii) \$10,000 for each subsequent Franchise Agreement you and we execute towards the Initial Franchise Fee that would otherwise be payable for each such Franchise Agreement, but the total of all credits will not exceed the total amount of the Multi-Unit Development Fee.

Note 2. Vehicle and Garage Storage. Before you open your Franchised Business, you are required to own, purchase or finance the acquisition of one Vehicle for use in connection with the Franchised Business. If you operate your Franchised Business out of your home, you may not be able to park the Vehicle in your garage or on your driveway because of local laws. In such event, you may need to pay to

garage your Vehicle. The high range of this item includes the cost of 3 months of garage storage for your Vehicle.

Note 3. Vehicle Wrap, Interior Build-out and Shipping. Prior to your attending training, you will need to have your Vehicle shipped to our offices. We will have the vehicle wrapped and cargo shelving installed by our approved supplier. Also, LED lighting, cargo sidewalls, custom rubber flooring, equipment, tote system, parade platform and utility hitch will also be installed prior to your arriving for training. When you complete the initial training program, you can either drive or ship the Vehicle back to your Franchised Business. In order to maintain the high quality of the Marks, logos, designs and wraps associated with the System, you may be required to have the Vehicle re-wrapped, refurbished and maintained, at your expense, depending on your geographic area and whether the Vehicle is garaged, determined in our sole discretion, and upon our written request, in order to conform with the then-current signage, logos, design or graphic wrap associated with Bubble Bus Businesses.

Note 4. Office Equipment, Supplies and Computer Hardware and Software. These figures include basic office furniture and basic business supplies. In addition, you must have the computer equipment and software which is described in greater detail in Item 11. This also includes the cost of a mobile telephone and Internet services.

Note 5. Initial Equipment, Product Inventory and Branded Merchandise. While your Vehicle is at our office prior to the initial training program, we will outfit it with the required equipment and an initial supply of bubble fluids and branded merchandise. The high end also includes the makeup package and the equipment package. The items contained in this Item are described in Item 5.

Note 6. Insurance. You must obtain, at a minimum, the insurance coverage that we require and meet the other insurance-related obligations we specify, all of which are described in detail in Section 6.G of the Franchise Agreement. The amounts in this chart represent the estimated quarterly insurance premiums for the required insurance.

Note 7. Training Expenses. These figures estimate the costs for you and one employee to attend our initial training program, including the cost of travel, lodging and meals.

Note 8. Additional Funds. This item estimates your other startup expenses during the initial period of 3 months of the operation of your Franchised Business. These expenses include utilities, special event fees, uniforms, fuel and vehicle maintenance, and wages for part-time employees. These estimates do not include Royalty Fees, Advertising Fees or any other expenses which are already listed in the above charts and do not include an owner's salary or draw. These figures are estimates, and you may incur additional expenses in order to start the business. Your costs will depend on various factors, including how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rates; competition; and sales levels reached during the initial period.

Note 9. Total. Costs and expenses can vary depending on various factors such as whether you can operate the Franchised Business from your home. These figures were based on the experience of our affiliate, JVR, which has operated a similar business to the Bubble Bus Business since 2009 in St. Louis, MO. The expenses may differ in other parts of the country. Except as described above, none of the fees listed in this Item are refundable. Your financial condition, arrangements negotiated by you and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items. (See Item 10). The availability of financing from other sources will depend upon various factors like the availability of financing generally, your credit worthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Franchised Business according to our System. You are required to purchase all products, services, supplies, inventory, computer software and hardware (as described in Item 11), equipment and materials required for the operation of the Franchised Business from manufacturers, suppliers and distributors we approve, from other suppliers who meet our specifications and standards, or based on specifications we establish. Specification of a supplier may be conditioned on requirements relating to, among other things, frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contributions or other consideration issued to us, our affiliates, any advertising fund we maintain, whether now or in the future, and/or otherwise, and our approval may be temporary, in each case in our reasonable discretion. We have imposed these requirements in order to assure quality and uniformity of the Bubble Bus Businesses and services provided to our customers. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We or our affiliates may receive rebates, commissions and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under the Franchise Agreement. Some of the approved suppliers may be affiliated with us.

Approved suppliers will be designated in the Confidential Operations Manual or otherwise communicated to you in writing. We reserve the right to modify and/or substitute products or suppliers. If we do so, we will inform you of any changes by updates or supplements to the Confidential Operations Manual or otherwise communicate these changes to you in writing. Currently, we and our affiliates are the sole approved suppliers for the branded merchandise, the equipment and the bubble fluids. Some of these items are proprietary, and are an integral part of the System constituting valuable trade secrets of us and our affiliate. Currently, other than JVR, there are no approved suppliers in which any of our officers own an interest. Our officers reserve the right to have an interest in other approved suppliers in the future.

Each year you must purchase a minimum of bubble fluid from us. You are required to purchase the following minimum amount of bubble fluids from us or our affiliate on an annual basis: Year 1 of the Franchise Agreement, you must purchase the initial inventory and an additional 120 gallons. Years 2-3 of the Franchise Agreement you must purchase a minimum of 600 gallons per year. Years 4-5 of the Franchise Agreement, you must purchase a minimum of 900 gallons per year. If you sign a Renewal Franchise Agreement, you must purchase a minimum of 900 gallons per year for years 6-7 and a minimum of 1,200 gallons per year for years 8-10 of the Renewal Franchise Agreement. We reserve the right to modify the amounts and types of products in the minimum purchase requirement, including, without limitation, a concentrated form of the bubble fluids, but in no event will the cost of the minimum amount of bubble fluid increase more than 15% in any single year. In the event we substitute a concentrated form of bubble fluids, the minimum purchase requirements will be based upon the amount the concentrated form produces after dilution. If, at the end of each year you have failed to purchase the minimum amount of products required, we will send you the amount of the deficiency and you will be required to pay the costs for the products that are sent to satisfy your minimum purchase requirement. The Price List of the bubble fluid will be included in the Manual and subject to change upon 30 days' notice.

If you wish to purchase or lease any goods, products, equipment, supplies not approved by us as meeting our specifications, or from suppliers we have not approved you must first notify us. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment, supplies or suppliers meet our specifications. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. Generally, we will advise you within a 30-day period whether these goods, products, equipment, supplies or suppliers meet our specifications. We may require samples from alternate suppliers or vendors to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay a reasonable charge based upon the cost of the test made by us or by an independent testing laboratory designated by us.

We reserve the right to negotiate with various vendors for quantity discount contracts that may include rebates to us or our affiliates in the future. We have the right to affiliate ourselves with suppliers, and/or receive revenues from purchases made by franchisees. There are currently no purchasing or distribution cooperatives, but we reserve the right to establish these in the future. We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

During the fiscal year 2022, we did not derive revenue from selling products or services to franchisees or receive any rebates from suppliers on account of purchases by franchisees. Our affiliate JVR received \$114,011.00 in revenue from the sale of products to franchisees. The purchase of products from approved sources will represent approximately 70% of your overall purchases in opening the franchise and 80% of your overall purchases to operate the franchise.

You must obtain and maintain at least the following minimum types and amounts of insurance:

General liability insurance \$2,000,000 aggregate;

\$2,000,000 Products/Completed Operations;

\$1,000,000 Personal & Advertising Injury;

\$1,000,000 each Occurrence;

\$300,000 Fire Damage (any 1 fire);

\$5,000 medical expense;

Automobile Coverage including non-owned auto with a combined single limit of \$1,000,000; and

Umbrella Coverage in the amount of \$1,000,000 is recommended but not required.

You must also maintain in force at your sole expense worker's compensation insurance if you have employees in amounts required by the jurisdictions in which you operate. Regardless of the amounts set forth above, it shall be your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of the Term of the Franchise Agreement. You should determine, through consultation with your advisors, if additional insurance is necessary, and you recognize that any recommended levels are merely minimum requirements.

Upon 30 days prior notice to you, we may increase the minimum insurance requirements and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

All insurance policies must be issued by one or more insurance carriers with an A.M. Best rating of A or higher. All liability insurance policies must name us, and our designated Affiliates, as additional insureds, on a primary and non-contributory basis and must contain endorsements waiving rights of subrogation, where permitted by law. The policies must also provide that we receive at least 30 days prior written notice of termination, expiration, cancellation or modification of any policy and 10 days' notice of non-payment of any premium.

You must submit to us a copy of the certificate of or other evidence of each insurance policy and continue to do so annually upon obtaining any insurance policy or each extension or renewal of any insurance policy. If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of insurance, we, at our option and in addition to our other rights and remedies under this Agreement, may obtain insurance coverage on your behalf, and you must promptly execute any applications or other forms or instruments required by us to obtain any insurance and pay to us, on demand, any costs and premiums incurred by us.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise and Multi-Unit Development Agreements (the obligations under the Multi-Unit Development Agreement are in *italics*). 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	Section 6.J of the Franchise Agreement	Items 6 and 11
(b) Pre-opening purchases/leases	Section 5.D of the Franchise Agreement	Items 7 and 8
(c) Site development and other pre-opening requirements	Sections 5.D and 6.J of the Franchise Agreement	Item 11
(d) Initial and ongoing training	Sections 5.A, B and C of the Franchise Agreement	Items 6, 7 and 11
(e) Opening	Section 6.J of the Franchise Agreement	Item 11
(f) Fees	Section 4 of the Franchise Agreement <i>and Section IV of the Multi-Unit Development Agreement</i>	Items 5 and 6
(g) Compliance with standards and policies/Operations Manual	Sections 6.E, F, and H of the Franchise Agreement	Items 8 and 11
(h) Trademarks and proprietary information	Section 10 of the Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Sections 6.A, B and C of the Franchise Agreement	Items 8, 12 and 16
(j) Warranty and customer service requirements	Section 6.F of the Franchise Agreement	Item 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
(k) Territorial development and sales quotas	Sections 2.B and 6.N of the Franchise Agreement <i>and Sections I.A, II and VI.D of the Multi-Unit Development Agreement</i>	Item 12
(l) Ongoing product/service purchases	Sections 6.D, E and N of the Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 6.D and O of the Franchise Agreement	Items 8, 11 and 17
(n) Insurance	Section 6.G of the Franchise Agreement	Items 6, 7 and 8
(o) Advertising	Section 7 of the Franchise Agreement	Items 6, 7 and 11
(p) Indemnification	Sections 4.F and 11 of the Franchise Agreement <i>and Section X.B of the Multi-Unit Development Agreement</i>	Item 6
(q) Owner's participation/management/Staffing	Sections 7.L and 16.F. of the Franchise Agreement	Items 11 and 15
(r) Records/Reports	Section 8 of the Franchise Agreement	Item 6
(s) Inspections/audits	Section 9 of the Franchise Agreement	Items 6 and 11
(t) Transfer	Section 12 of the Franchise Agreement <i>and Sections VI.A and VI.C of the Multi-Unit Development Agreement</i>	Item 17
(u) Renewal	Section 3.C of the Franchise Agreement	Item 17
(v) Post-termination obligations	Section 13.C of the Franchise Agreement <i>and Section VIII.B of the Multi-Unit Development Agreement</i>	Item 17
(w) Non-competition covenants	Sections 14 of the Franchise Agreement <i>and Section VII of the Multi-Unit Development Agreement</i>	Items 15 and 17
(x) Dispute Resolution	Section 15 of the Franchise Agreement <i>and Sections XI.G, XIV and XVI of the Multi-Unit Development Agreement</i>	Item 17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guaranty your note, lease or obligation.

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

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

Before you open the Franchised Business, we will:

- (1) Designate your Protected Territory. (Franchise Agreement – Section 2.A and Exhibit I);
- (2) Designate your Development Territory, the number of Bubble Bus Businesses you will open, and the Development Schedule setting the timetable you will follow for opening the Bubble Bus Businesses, based on our mutual agreement. If you and we do not agree on the Development Schedule,

then you and we will not sign a Multi-Unit Development Agreement. (Multi-Unit Development Agreement – Section II.A and Attachment B);

(3) Typically you will operate your Franchised Business from your home, but you may choose to lease office space. You must maintain a mailing address (not a P.O. Box) within the Protected Territory of each Franchised Business. You are solely responsible for locating, securing and evaluating the suitability of your office and, if applicable, for the review and negotiations of your lease. You may locate or relocate your office anywhere within the Protected Territory upon notification to us. (Franchise Agreement – Section 6.J);

(4) Provide approved suppliers or minimum standards and specification for the products and services you need to equip and operate your Franchised Business. (Franchise Agreement – Section 6.C);

(5) We or our affiliates will equip your Vehicle with all of the equipment and an initial inventory of bubble fluids and branded merchandise that you need to begin your Franchised Business. (Franchise Agreement – Section 6.D);

(6) We will also take your Vehicle to an approved supplier for the vehicle wrap and cargo shelving installation. (Franchise Agreement – Sections 5.D, 6.D and 6E);

(7) Provide an initial training program for the operation of the Franchised Business to you and one employee. This training is described in greater detail later in this Item 11. (Franchise Agreement – Section 5.A); and

(8) Loan you a copy of the Confidential Operations Manual (“Manual”) described below, when it is completed. (Franchise Agreement – Section 6.H).

Time for Opening the Franchised Business

We estimate that the typical length of time between signing of the Franchise Agreement and the opening of a Bubble Bus Business is between 30 and 90 days. Factors affecting the length of time usually include satisfactorily completing the training, obtaining your Vehicle and all necessary equipment and supplies, and obtaining all necessary licenses or permits. Your Franchised Business is considered open for business once you satisfactorily complete the initial training program and take possession of the Vehicle. The opening of the franchise may be delayed only if such delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes. You will use your best efforts to cure any such delay and any such delay in opening shall be for a period of days equal to number of days during which such event actually prevents completion. You must notify us of any such delays promptly. You must open within 120 days after you sign the Franchise Agreement or we have the right to terminate the Franchise Agreement.

During the Operation of your Franchised Business, we will:

(1) Provide to you, at your request, with additional guidance and assistance. We reserve the right to charge a reasonable fee for this additional guidance and assistance. (Franchise Agreement – 5.C);

(2) Sell you equipment and products for so long as we or our affiliates are an approved supplier. (Franchise Agreement – Section 6.C and N); and

(3) Continue to loan you 1 copy of the Manual. (Franchise Agreement – Section 6.H).

This Manual is confidential and remains our property. You will operate your Franchised Business in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manual that are designated as mandatory and in any supplemental bulletins and notices, revisions, modifications, or amendments to the Manual, which we may provide to you in writing, either in document or electronic form, all of which are a part of the Manual.

You must treat the Manual, any other manuals or written materials provided by us or our affiliate for use in the operation of the Franchised Business, (in any format whatsoever, including but not limited to electronically, via the Internet, hard copy, etc.) and the information contained in them, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manual must be kept in a secure place within your Franchised Business. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions to, deletions from or revisions to the Manual, which you have to comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including allocation of pages to each subject, is included as Exhibit C to this disclosure document. As of the date of this disclosure document, the Manual is approximately 176 pages.

ADVERTISING

Advertising Fund

We do not have an obligation to conduct advertising; however, we reserve the right to establish a national advertising fund (the "Fund") which you must participate in and contribute a monthly Advertising Fee of \$150. This Advertising Fee may be increased, in our sole discretion, on an annual basis, but the increase will not be more than 10% per year. The Advertising Fees received from you will be made available for the payment of all costs associated with the creation, production, distribution, media placement, website maintenance and design and administration of local, state, regional or national advertising programs and for any taxes incurred by the Fund. The Fund will be used for advertising on direct marketing mailings, the Internet, the newspaper and any other media we deem appropriate.

The Fund will be used to promote the System. We will not be obligated, in administering the Fund, to make expenditures for your Franchised Business which are: (i) equivalent or proportional to your contribution; or (ii) spent in any particular area or territory. We do not spend any funds from the Fund on advertising that is principally a solicitation for the sale of franchises, except that we will use portions of the Advertising Fees towards the costs of any website we may maintain, which website may contain information about our franchising programs. We will not have to spend the funds in the Fund during any specific time period. Advertising may be handled by the outside advertising agency which we select. All Advertising Fees received will be maintained in an account separate from our other monies. We will maintain separate bookkeeping accounts for the Fund, and we will provide an annual unaudited financial statement of the Fund upon request. The Fund will not be our asset. The Fund will also not be a trust. We will have a contractual obligation to hold all funds in the Fund for the benefit of the contributors and to use contributions only for their permitted purposes described in this Item 11. We will have no fiduciary obligation to you for administering the Fund.

The Bubble Bus Business owned by our affiliate will be required to contribute to the Fund at the same level as our franchisees. If we do not use all of the funds contributed to the Fund in a particular

fiscal year, the remaining funds will be carried over to the next fiscal year. We will be entitled to reimbursement from the Fund to cover our administrative and overhead expenses associated with operating the Fund.

We do not have any advertising cooperatives or a franchisee advisory council that advises us on advertising policies; but we reserve the right to establish advertising cooperatives or a franchisee advisory council in the future.

Your Own Advertising

In addition to your required contributions to the Fund, you must spend for advertising and promotion of your Franchised Business an amount equal to or greater than \$150 per month. You must have proof of your expenditures if we request to review your books and records. You must submit all of your own advertising and sale promotion materials to us or our designated advertising agency for approval before use. If you do not receive written disapproval within 20 days after we or they receive the materials, we will be deemed to have given approval. You are responsible to ensure that all advertising and promotion materials used by you, whether created by or approved by us, comply with applicable laws. You may not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols (“©”, “®”, “TM” or “SM”) as we direct.

You may not advertise or use any of the Marks on the Internet except as pre-approved by us and on terms specified by us. Further, you may not use the Marks (or any marks or names confusingly similar to the Marks) as an Internet domain name, user or account name, or in the content of any website, including any social media website (such as LinkedIn, Facebook or Twitter). We and our affiliates maintain and control the websites, www.bubble-bus.com, www.bubblebusfranchise.com, and www.bubblebus.com and www.teknobubbles.com. We may provide contact information for Bubble Bus Businesses, including the Franchised Business, on our website for so long as we determine. All of the information on these or any other pages of our website remains subject to our control and approval. Subject to our right to consent, you may be permitted to create a social media account from which to advertise your Franchised Business on the Internet. Any such permission shall only be for such time as we permit and shall be on the terms and conditions we specify from time to time in the Manual, which may restrict the content that you are permitted to post to the social media outlet. We have the right to require a modification of or cease granting you permission to develop, operate, or maintain any such website, mobile app, or social media outlet at any time and to require you to give us administrative control and/or log-in information for any such websites, mobile app, or social media site outlet you operate for the promotion of your Franchised Business. Except as otherwise provided in the Manual or otherwise in writing, you may not maintain a presence on the Internet for your Franchised Business. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means shall be pre-approved by us and on terms specified by us.

Grand Opening Advertising.

In addition to the other advertising requirements, you must spend a minimum of \$5,000 for grand opening advertising and sales promotions 60 days prior to the opening of your Franchised Business. Additionally, you must provide to us, within 90 days after the opening of your Franchised Business, proof of your advertising and sales promotion expenditures in the form, and with the detail, including copies of all grand opening advertising materials and receipts, as we request.

COMPUTER SYSTEM

You must obtain and use the computer system which we require. Currently, this includes the following computer hardware: at least one laptop, printer, and Square Credit Card Reader. In addition, you must have a cell phone. You must use the most current version of QuickBooks and Google Scheduling. The cost of the computer system is estimated to be between \$2,000 and \$2,500 depending on what hardware you already own and whether you hire a technician. You must have a functioning email address so that we can send you notices and otherwise communicate with you. We have no contractual obligation to upgrade or update any hardware or software. We will not have independent access to your computer data.

In the future, we may require you to change, upgrade or modify the type of computer hardware and software at your expense. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We and our affiliates may condition any license of proprietary software to you or your use of technology that we or our affiliates may require, develop or maintain, on your signing an agreement or similar document that we, our affiliates or the vendor may require to regulate the use of the software.

TRAINING

We or our representatives or agents will provide the following initial training to you and your employee. You must complete the training to our satisfaction before you open your Franchised Business. If you currently operate a Bubble Bus Business, the training program is not mandatory unless we determine you must attend, but it will be offered. We have the right to waive, in our sole discretion, any portions of the training program which we believe will not be necessary for you based on your previous experience.

The initial training program will most likely take place in St. Louis, MO for a period of 3 days (Thursday through Sunday). We do not charge for the initial training program for you and another person, but you are responsible for wages, travel, and living expenses for you and your employee(s). We expect that training will be conducted after the Franchise Agreement has been signed. There currently are no fixed (i.e. monthly or bi-monthly) training schedules, but the training programs are given on an as-needed basis.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Safety: Fall Prevention/Slippage – Spectator/Operator Equipment Safety Bus Safety Bus Driver Training Event Checklist Proper Body Mechanics & Lifting Pre-ride Checklist	2 hours		St. Louis, MO

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Bubble 101 – Bubbology: Atmospheric Conditions Anatomy of a Bubble Types of bubbles – machine bubbles, smoke bubbles, big bubbles, UV glowing bubbles FAQ's – Toxicity, Staining, Slippage/Falls	2 hours		St. Louis, MO
Equipment Orientation Bubble Machines Smoke Machine Blacklights Truss Set up Sound System Set Up & Use Generator Use Fans Safety Barricades/Crowd Control	3 hours		St. Louis, MO
How to run a successful bubble Event: Event Communication Tips Greeting Customer Venue walk thru Electrical System Diagram, Circuit Breakers, Event Contact Info. Daylight Event Black light / Tekno Event Uniform & Appearance	3 hours		St. Louis
Administrative Bookkeeping Scheduling/Contract/Policies Event Calendar Event Contract Event Debrief Sheet Event Pack List Phone Line Service Payments Insurance Event feedback – Evaluation Sheets W-2's and 1099's	3 hours		St. Louis, MO
Marketing: Consumer oriented elevator pitch	1.5 hours		St. Louis, MO

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Business Development: Contacts – event planners, daycares, chamber of commerce, schools, libraries, student councils, birthdays, retirement homes, high schools, middle schools, elementary schools, colleges, weddings, bar/bat mitzvahs, concerts, festivals, parades...	1.5 hours		St. Louis, MO
Training certification of employees: Checklist of items Signed document upon completion of training by franchisor and franchisee	1 hour		St. Louis, MO
On-Site at an Event		8 hours	St. Louis, MO

Note that some subjects may be intermingled and time periods and subject matter may be subject to change. The hours listed for On the Job will typically include more than one subject matter. The above are merely estimates.

The above training program is conducted by one or more of the following individuals.

John Reider:

John Reider is our Founder and Chief Executive Officer and has been the Founder and Chief Executive Officer of JVR since its founding in April 2005. Prior to this, John began his own security and automation business in June 1994 and has served as Owner and President of Intellipower, Inc. (St. Louis, MO) since its inception. After graduating with a degree in Aircraft Maintenance Management from St. Louis University in 1989, John worked for McDonnell Douglas (Boeing) and TransWorld Airlines from 1989 – 2004.

Elizabeth Reider:

Elizabeth Reider is our Co-Founder and Chief Financial Officer. In addition, she has been the Chief Financial Officer of JVR since its founding in April 2005. She has also been the treasurer of IntelliPower, Inc. Before transitioning full time to the family business, she earned a degree in Physical Therapy from St. Louis University in 1987 and worked in the orthopedic and sports rehabilitation field from 1987-2007.

Kevin Gruenewald:

Kevin Gruenewald currently serves as Operation and Technical Manager for us and for JVR and has since its founding in April 2005. Additionally, Kevin has been the Senior Installation Specialist for Intellipower, Inc. from 2003 until the present. Prior to this, Kevin studied engineering in a joint reciprocal engineering program through Washington University and the University of Missouri – St. Louis.

If you hire additional employees after the initial training program, you will be required to field train these employees according to our infield training materials. These individuals must be certified by you that they have successfully taken and passed the training program prior to conducting an event.

We may provide additional training to you throughout the term of the Franchise Agreement. Sometimes the training may be provided through system-wide conference calls or national meetings. We may elect to charge a reasonable fee for any training or meeting provided after the opening of the Franchised Business. You must pay the compensation of the trainee as well as the trainee's travel, lodging and personal expenses. The location, duration, and content of such refresher training programs or meetings has not been determined yet.

ITEM 12 TERRITORY

Under the Franchise Agreement, you will conduct and operate your Franchised Business from your home or from an office located within your Protected Territory. You and we will agree upon a geographic territory before you sign your Franchise Agreement, which will be listed in Exhibit I of the Franchise Agreement ("Protected Territory"). The Protected Territory will be based somewhat on zip codes, and in some cases, city or county boundaries and will be comprised of approximately 100,000 – 150,000 households (according to the most recent U.S. Census data available at the time you and we sign the Franchise Agreement). You are responsible to independently evaluate any geographic territory in which you are interested and satisfying yourself as to its appropriateness for the Franchised Business.

So long as the Franchise Agreement is in force and you are not in default, neither we nor our affiliates will locate, operate, or grant a franchise for another Bubble Bus Business within your Protected Territory. Except as limited above in this Item 12, we and our affiliates retain all rights with respect to Bubble Bus Businesses, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to own or operate, or license others to own or operate a Bubble Bus Business immediately adjacent to your Protected Territory or anywhere outside of your Protected Territory; (2) the right to operate or license others the right to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of your Protected Territory; (3) the right to operate or license others to operate businesses that are not the same as a Bubble Bus Businesses under the Marks in any location, both inside or outside of your Protected Territory; and (4) the right to offer any products or services (including the products and services you offer at your Franchised Business) through other channels of distribution (including the Internet, print catalogues and direct marketing media) both inside and outside of your Protected Territory. We are not required to pay you if we exercise any of the rights specified above inside your Protected Territory.

Nothing will prohibit us and our affiliates from doing business within the Protected Territory for National Accounts. A National Account means those customers, with more than 1 location covered by an agreement for services which are not located solely in the area of one franchisee. If you obtain an account that is considered a National Accounts, you must refer it to us and it will be treated as a National Account; however, we reserve the absolute right to reject any such account for any reason. National Accounts shall be negotiated solely by us or our affiliates, even if you procure the National Account. All National Accounts will be considered our property and you will have no claim to them. If one or more locations of a National Account fall within your Protected Territory, we will first offer you the opportunity to provide services on the terms and conditions that we have established with such National Account. You are not required to service a National Account, and if you do not accept such offer in the manner and within the time period that we specify, we have the right to service the account ourselves, or may authorize other Bubble Bus Businesses, to provide such services. However, the decision to accept

or reject you as a provider of services for the National Account ultimately rests with the National Account.

You must have your office within the Protected Territory or in close proximity. You must also maintain a mailing address (not a P.O. Box) with the Protected Territory of each Franchised Business. You cannot relocate your office without notifying us in advance. We do not grant any right of first refusal or similar rights to acquire additional franchises. You must operate your Franchised Business and provide Services only to customers located within the Protected Territory. You are not permitted to solicit customers outside of your Protected Territory. However, you may provide Services to customers located outside of your Protected Territory so long as you obtain our prior written consent and the customers are not located in the protected territory of another Bubble Bus Business. You have no territorial protection in any area outside of your Protected Territory, and upon the establishment of a Bubble Bus Business in an area outside of your Protected Territory in which there was a customer to whom you previously provided Services, you must immediately cease providing Services to that customer and refer the customer and send the related information to the new Bubble Bus Business. You are not entitled to receive any compensation for this referral.

If you and we sign a Multi-Unit Development Agreement, we will grant you a geographic area (the "Development Territory") and you will be obligated to develop, own and operate Bubble Bus Businesses within the Development Territory. Your Development Territory will be set forth on Attachment B to your Multi-Unit Development Agreement. Your right to develop and operate each Bubble Bus Business within the Development Territory will be limited to the Protected Territory we determine for each such Bubble Bus Business. You will have the right and obligation to open and operate in your Development Territory the number of Bubble Bus Businesses on the development schedule in your Multi-Unit Development Agreement (the "Development Schedule"). You must comply with the timetable on the Development Schedule. Under the Development Schedule, you and we will sign a Franchise Agreement for each Bubble Bus Business that you develop. You may not operate more than the number of Bubble Bus Businesses on the Development Schedule without first obtaining our written consent.

We and our affiliates retain all other rights, including: (i) the right to own or operate, or license others to own or operate, Bubble Bus Businesses immediately adjacent to your Development Territory or anywhere outside of the Development Territory; (ii) the right to operate or license others the right to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of the Development Territory; (iii) the right to operate or license others to operate businesses that are not the same as a Bubble Bus Business under the Marks in any location, both inside or outside of the Development Territory; and (iv) the right to offer any products or services (including the products and services offered at Bubble Bus Businesses) through other channels of distribution (including the Internet, print catalogues and direct marketing media) both inside and outside of the Development Territory. We or our affiliates are not required to pay you if we or our affiliates exercise any of our rights specified above inside the Development Territory.

We and our affiliates have the right, now and in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Bubble Bus Businesses operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within or near your Protected Territory).

We and our affiliates may sell ourselves, our assets, our proprietary marks (including the Marks) and/or our systems (including the System) to a third party; may go public; may engage in a private

placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you will, in the Franchise Agreement, expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under this Agreement. If we assign our rights in the Franchise Agreement, nothing in this disclosure document or in the Franchise Agreement will be deemed to require us to remain in this business.

You have no options, rights of first refusal or similar rights to acquire additional franchises. The continuation of your franchise or territorial rights does not depend on your achieving a certain sales volume, market penetration or other contingency.

ITEM 13 TRADEMARKS

We will grant you the right to operate your Franchised Business under the Marks. The registration of the Marks is owned by our affiliate, JVR. The principal Marks are:

Mark	Registration Date	Registration Number
BUBBLE BUS	July 1, 2014, Section 8 accepted Oct 5, 2020	4561554
TEKNO BUBBLES	May 13, 2003, renewed September 25, 2013	2714955
 Smiley Face Design	February 2, 2004, renewed February 15, 2014	2809686
ATOMIC BUBBLES	September 8, 2020	6147990

BUBBLE BUS is on the Supplemental Register; TEKNO BUBBLES, Smiley Face Design, and ATOMIC BUBBLES are on the Principal Register.

We do not have federal registration for our principal trademark, BUBBLE BUS. Therefore, this trademark does not have as many legal benefits and rights as a federally-registered trademark on the Principal Register. If our right to use the trademark is challenged, you may have to change to an alternate mark, which may increase your expenses.

We will grant you a nontransferable, non-sublicensable, non-exclusive license to use the Marks in connection with the Franchised Business. You must follow our rules when you use the Marks, including giving proper notices of trademark or service mark ownership and/or registration and obtaining assumed

and fictitious name registration for your Franchised Business as required by law. You cannot use any name or mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service, in a manner not authorized in writing by us, or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

There are currently no effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, and no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Marks. There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the trademark.

Under a license agreement with JVR effective January 1, 2015, we have been licensed the right to use the Marks and to sublicense the Marks to our franchisees to use in operating Bubble Bus Businesses under the terms of the Franchise Agreements. The license agreement has a term of 50 years, but either we or JVR may terminate it upon 30 days' notice to the other party if there is a default which is not cured. However, if there is a default that is not cured under the license agreement and the agreement is terminated, JVR will still allow you to use the Marks until the end of the term and any renewal term of your Franchise Agreement.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. We have the sole right to take such action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of any infringement, challenge or claim. You must execute any and all instruments and documents, provide such assistance, and take any action that may be necessary or advisable to protect and maintain our and our affiliates' interest in any litigation or other proceeding or otherwise to protect and maintain our or our affiliates' interest in the Marks. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

If we decide to modify or discontinue the use of the Marks and/or to use one or more additional or substitute names or marks, you must make the changes we require of you at your own expense and without claim against us. You will need to comply within a reasonable time of the request.

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

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise.

We and our affiliates claim common law copyright rights in the Manual. You may use the Manual while operating your Franchised Business (and must stop using it if we direct you to stop).

Neither we nor any of our affiliates have filed an application for a copyright registration with the U.S. Registrar of Copyrights for these materials, but need not do so at this time to protect them. Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us if you learn about unauthorized use of this proprietary information.

There are currently no effective determinations for any material proceeding and no pending infringement, opposition or cancellation proceedings pending in the USPTO or the United States Copyright Office relating to our copyrighted material. There is no material litigation involving the copyrights currently pending. Neither we nor our affiliates are required by any agreement to protect or defend copyrights of confidential information.

You must notify us immediately of any apparent infringement or challenge to your use of the copyrighted material, or any claim by any person of any rights in the copyrighted material. We will have the sole discretion to take action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of any infringement, challenge or claim. You must execute any and all instruments and documents, provide such assistance, and take any action that may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or otherwise to protect and maintain our interest in the copyrighted material. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a copyright or if the proceeding is resolved unfavorably to you.

If we decide to modify or discontinue the use of the copyrights and/or to use one or more additional or substitute other products or proprietary materials, you must make the changes at your own expense and without claim against us. You will need to comply within a reasonable time of the request. Neither we nor our affiliates are obligated to reimburse you for any expenses or loss of revenue or goodwill arising from any modification or discontinuation of the subject of any copyright.

The Franchise Agreement provides that you acknowledge that the System, the methods of operation licensed by us for the operation of a Bubble Bus Business, and the content of some of the products you will use in the operation of Franchised Business are proprietary, confidential trade secrets belonging to us or our affiliates, and you agree to maintain the confidentiality of all materials and information lent or otherwise furnished to you by us or our affiliates at all times, including after the termination or expiration of the Franchise Agreement, for any reason. The Franchise Agreement also provides that all ideas, concepts, techniques, or materials concerning a Bubble Bus Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you must assign ownership of that item and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or help us obtain intellectual property rights in the item.

Further, according to the Franchise Agreement, you agree that you will not, during the term of the Franchise Agreement (other than to the extent necessary to operate the Franchised Business) or after its expiration or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those in the public domain. You must also agree not to use our confidential information in an unauthorized manner and to exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Franchise Agreement. We may regulate the form of confidentiality agreement that you use with your employees or agents and we will be a third party beneficiary of those agreements with independent enforcement rights.

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

You recognize the importance of your participation or if you are an entity, your principal owner's participation, in the management of the Franchised Business and that this agreement to so participate in the management of the Franchised Business is a material inducement for us to enter into the Franchise Agreement. Therefore, you or the principal owner are required to use your, his or her best efforts and is personally responsible for the management of the Franchised Business. You or your principal owner are required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of the Franchised Business. Any designated manager who will operate the Franchised Business, as well as other supervisory personnel, are required to sign a confidentiality and non-competition agreement in a form we approve; however, such designated manager or supervisory personnel are not obligated to have any designated amount of equity interest in the Franchised Business. As noted in Item 1, the Business is not intended to be the primary source of income for your or your owner. The events should typically be able to be handled by qualified part-time workers, such as high school students and college students.

If you are a corporation, limited liability company or partnership, your owners (and their spouses) must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations including the covenant not to compete. The guarantee is included in the Franchise Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those services or products that we have approved. We have the right to change the types of required and/or authorized services or products and you will be notified of such changes in writing (e.g., by a bulletin or a supplement to the Manual). You are prohibited from offering or selling any products or services not authorized or approved by us and in compliance with the Franchise Agreement. We, in our discretion, may approve or deny your request to eliminate some or add other services or products. In accordance with applicable law, we have the right to set the prices at which you will sell the Services. You also agree to add such equipment and make such alterations, at your expense, as may be necessary to equip the Franchised Business for sale of the Services or any additional services we may require. You recognize that you may need to make an additional investment to do so.

You are not permitted to solicit business outside of your Protected Territory and you are only permitted to provide the Services to customers located outside of your Protected Territory as described in Item 12. Other than that, we do not impose any other restrictions or conditions that limit your access to customers.

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 OR OTHER AGREEMENT (ADA in Italics)	SUMMARY

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT (ADA in <i>Italics</i>)	SUMMARY
a. Length of the franchise term	Section 3.A of the Franchise Agreement; <i>Section III of the Multi-Unit Development Agreement</i>	5 years from signing the Franchise Agreement; <i>Multi-Unit Development Agreement expires on the earlier of the opening of the last Unit listed in the Development Schedule or the expiration date on Attachment B</i>
b. Renewal or extension	Section 3.C of the Franchise Agreement; <i>Section III of the Multi-Unit Development Agreement</i>	2 additional terms for 5 years ; <i>there is no right to renew the term of the Multi-Unit Development Schedule</i>
c. Requirement for franchisee to renew or extend	Section 3.C of the Franchise Agreement; <i>Not applicable with respect to Multi-Unit Development Agreement</i>	Give notice, be in compliance with the Franchise Agreement, pay renewal fee, sign a release, upgrade equipment, and/or Vehicle, vehicle wrap and sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights. Monthly Royalty Fee for years 3-5 of the renewal term will increase.
d. Termination by franchisee	Section 13.B of the Franchise Agreement; <i>Not applicable with respect to Multi-Unit Development Agreement</i>	If we breach agreement and do not cure or attempt to cure after notice
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 13.A of the Franchise Agreement; <i>Section VIII.A of the Multi-Unit Development Agreement</i>	If you don't satisfactorily complete training, don't open within 120 days after you sign the Franchise Agreement, or generally if you breach the Franchise Agreement
g. "Cause" defined – curable defaults	Section 13.A of the Franchise Agreement	You have 10 days to cure monetary defaults or fail to open the Franchised Business within 120 days, and 30 days to cure all others except those listed in Section 14.A.3. of the Franchise Agreement

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT (<i>ADA in Italics</i>)	SUMMARY
h. “Cause” defined – non-curable defaults	Section 13.A.3 of the Franchise Agreement; <i>Section VIII.A of the Multi-Unit Development Agreement</i>	Non-curable defaults, conviction of felony or any crime of moral turpitude, fraud, material misrepresentation in your application for the Franchised Business, repeated defaults, abandonment, giving insufficient funds checks and bankruptcy ; <i>if you attempt to transfer in violation of the agreement, fail to comply with the Development Schedule, file bankruptcy, commit or are convicted of felony or any crime of moral turpitude or generally if you breach the Multi-Unit Development Agreement</i>
i. Franchisee’s obligation on termination/non-renewal	Section 13.C of the Franchise Agreement; <i>Section VIII.B of Multi-Unit Development Agreement</i>	Cease operating, discontinue use of the Marks, pay all amounts due, return materials and Manual, turn over customers and information upon our request, cancel any assumed names using the Marks, remove wrap from Vehicle, transfer telephone number, and comply with all post-termination provisions; <i>All rights to open subsequent units under the Multi-Unit Development Agreement cease</i>
j. Assignment of contract by Franchisor	Section 12.A of the Franchise Agreement; <i>Section VI.B of Multi-Unit Development Agreement</i>	No restrictions on right to assign Franchise Agreement or Multi-Unit Development Agreement
k. “Transfer” by franchisee – defined	Section 1.M of the Franchise Agreement; <i>Section VI.A of Multi-Unit Development Agreement</i>	Transfer of contract or assets or ownership change; <i>under Multi-Unit Development Agreement, ownership change of 20% or more, or transfer of contract</i>
l. Franchisor approval of transfer by franchisee	Section 12.B of the Franchise Agreement; <i>Section VI.A of Multi-Unit Development Agreement</i>	Right to approve all transfers

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT (<i>ADA in Italics</i>)	SUMMARY
m. Conditions for franchisor approval of transfer	Section 12.B of the Franchise Agreement; <i>Section VI.A of Multi-Unit Development Agreement</i>	You are in compliance with the Franchise Agreement, you are current on all payments owed, transferee qualifies, transfer fee paid, new franchise agreement signed, training of transferee, release signed and equipment, Vehicle and/or vehicle wrap is updated, terms of Transfer are reasonable; <i>Multi-Unit Developer is compliant with obligations, all amounts due are paid, transfer fee paid, release signed, transferee qualifies, training of transferee, transferee assumes all obligations, economically feasible terms of sale.</i>
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12.D of the Franchise Agreement	We can match any offer for your business or an ownership interest in you
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of the franchisee	Section 12.C of the Franchise Agreement	Heir must be approved but no right of first refusal
q. Noncompetition covenants during the term of the franchise or development agreement	Sections 14.B of the Franchise Agreement; <i>Section VII.B of Multi-Unit Development Agreement</i>	No involvement in a Competitive Business (as defined in the Franchise Agreement and Multi-Unit Development Agreement, respectively)
r. Noncompetition covenant after the franchise or development agreement is terminated or expires	Sections 14.C and D of the Franchise Agreement; <i>Section VII.C of Multi-Unit Development Agreement</i>	No involvement in a Competitive Business except as duly licensed by us for 2 years within the metropolitan area that contains your Protected Territory or any other metropolitan area containing a Protected territory of any other Bubble Bus Business. <i>No involvement in a Competitive Business in the Development Territory, the development territory of any other developer, the MSA in which we or an affiliate operate.</i> You will also be bound by a 2 year non-solicitation clause under both the Franchise Agreement and Multi-Unit Development Agreement
s. Modification of the agreement	Section 16.B of the Franchise Agreement; <i>Section XIII of the Multi-Unit Development Agreement</i>	No modification generally but Manual and System subject to change; <i>No modification under Multi-Unit Development Agreement</i>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT (<i>ADA in Italics</i>)	SUMMARY
t. Integration/merger clause	Section 16.B of the Franchise Agreement; <i>Section XIII of the Multi-Unit Development Agreement</i>	Only the terms of the Franchise Agreement and Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Section 15 of the Franchise Agreement; <i>Section XIV of the Multi-Unit Development Agreement</i>	Except for certain claims, all disputes must be mediated in St. Louis County, MO
v. Choice of forum	Section 16.G of the Franchise Agreement; <i>Section XI.G of the Multi-Unit Development Agreement</i>	Litigation must be in St. Louis County, MO (subject to applicable state law)*; <i>litigation under the Multi-Unit Development Agreement must be in any state or federal court in the State of Missouri</i>
w. Choice of law	Section 16.G of the Franchise Agreement; <i>Section XI.G of the Multi-Unit Development Agreement</i>	Missouri law applies (subject to applicable state law)*

*If a state regulator requires us to make additional disclosures related to the information contained in this franchise disclosure document, these additional disclosures are contained in a State Law Addendum included in this disclosure documents as Exhibit D.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote this 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 consider buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 our management by contacting John Reider, Bubble Bus Franchise LLC, 7244 Devonshire, St. Louis, MO 63119, 844-282-2533, the Federal Trade Commission, and any appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For Years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	5	5	+/-0
	2021	5	7	+2
	2022	7	5	-2
Company-Owned	2020	4	4	+/-0
	2021	4	4	+/-0
	2022	4	4	+/-0
Total Outlets	2020	9	9	+/-0
	2021	9	11	+2
	2022	11	9	-2

Table No. 2
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 to 2022

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Florida	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
New York	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Texas	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	2	0
Totals	2020	5	0	0	0	0	0	5
	2021	5	2	0	0	0	0	7
	2022	7	0	0	0	0	2	5

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Table No. 4
Status of Company-Owned Outlets
For years 2020 to 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Missouri	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Total	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4

Table No. 5
Projected Openings As of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Florida	1	0	0
Louisiana	0	1	0
Missouri	0	1	0
South Carolina	0	1	0
Texas	0	1	0
Total	1	4	0

Exhibit E lists the names, addresses and telephone numbers of all of our operating franchisees. Exhibit E also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed confidentiality clauses with any former franchisees which would restrict them from speaking openly with you about their experience with us.

There are no trademark-specific franchisee organizations associated with the franchise system at this time.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year end is December 31. Attached to this disclosure document as Exhibit F are the audited financial statements for the periods ending December 31, 2022, December 31, 2021, and December 31, 2020.

ITEM 22 CONTRACTS

The following are attached to this disclosure document:

Exhibit A - Franchise Agreement

Exhibit B – Multi-Unit Development Agreement

ITEM 23 RECEIPT

See Exhibit I.

EXHIBIT A
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

BY AND BETWEEN

BUBBLE BUS FRANCHISE, LLC

AND

(_____)

_____, 2023

BUBBLE BUS FRANCHISE LLC
FA 20232

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**BUBBLE BUS FRANCHISE LLC
FRANCHISE AGREEMENT**

This Franchise Agreement is entered into this ____ day of _____, 20____, by and between BUBBLE BUS FRANCHISE LLC (“us,” “our,” or “we”), and _____, a _____ (“you” or “your”).

RECITALS

1. We and our Affiliates (as defined below) have the rights to and have developed and refined the method of operating a business centered around a colorful, graffiti-painted bus set up to operate both daylight and blacklight bubble events such as at festivals, concerts, parades, school events, birthdays, daycare events, senior living events, and other types of celebrations.

2. Our Affiliate, JVR Enterprises, LLC (“JVR”), grants us the right to license the Marks (as defined below) and the System in connection with the operation of a Bubble Bus Business (as defined below) to you.

3. You recognize the benefits from being identified with and licensed by us and desire a franchise to establish and operate a Bubble Bus Business using the Marks and System, and we are willing to grant such a franchise, on the terms and conditions in this Agreement.

NOW, the parties agree as follows:

1. DEFINITIONS.

For purposes of this Agreement, the following terms shall have the meaning as set forth below:

A. “Affiliates” means, individually or collectively, any and all entities controlling, controlled by, or under common ownership with us, including but not limited to JVR.

B. “Competitive Business” means any business that engages in, owns, invests in, manages or controls any business showcasing bubbles at events.

C. “Confidential Information” means all trade secrets, equipment and material, methods, techniques, formulas, contracts, customer lists, customer information, suppliers, supplier lists, pricing, marketing, computer programs, products, skills, performance specifications, technical and financial information and results, and other information and know-how relating to the System, or relating to or useful in our business, the Franchised Business or other Bubble Bus Businesses, including the Manual (as hereinafter defined).

D. “Franchised Business” means the Bubble Bus Business that you will operate under the Marks and System and in accordance with the provisions of this Agreement.

E. “Bubble Bus Business” means any business operating under the Marks and System, whether owned by us or our Affiliates, or the franchisees or licenses of us or our Affiliates. Bubble Bus Business also include the business operated by JVR.

F. “Manual” means our Confidential Operations Manual, as amended by us from time to time. The Manual will be in a format determined by us (i.e., in writing, on CD-ROM, via electronic media through a secure website, etc.) and includes all other supplemental bulletins, notices, revisions, modifications, or supplemental information, either in document or electronic form, concerning the System that are delivered by us or otherwise communicated to you in writing. Also included are any passwords or other digital identifications necessary to access the Manual on a website or extranet. The Manual is confidential and remains our property.

G. “Marks” means the service marks, trademarks, trade dress, trade names and copyrights, and all configurations and derivations thereof, as may presently exist, or which may be modified, changed or acquired by us or our Affiliates in connection with the operation of the business contemplated by this Agreement. Marks currently include “Bubble Bus”, “Tekno Bubbles”, and the Smiley Face Design.

H. “National Accounts” means those accounts with more than one location that are not all located solely in the territory of one Bubble Bus Business.

I. “Principal Owner” means you if you are a sole proprietor, the majority shareholder of you if you are a corporation, a partner owning a majority interest of you if you are a partnership, or a member owning the majority interest of you if you are a limited liability company. In the event there are multiple owners with equal interest in you, then you will designate 1 of these owners to be the Principal Owner for purposes of this Agreement.

J. “Services” means the types of services that you are permitted and/or required to perform in the operation of the Franchised Business. At the present time, such Services consist of providing bubbles, blacklight bubbles, UV make-up and body art (optional) and music and selling licensed merchandise. We reserve the right to modify, change and add to the types of Services that may be provided by the Bubble Bus Business, from time to time, and the right to include the sale of certain products in connection with the provision of such Services.

K. “System” means the specially developed method of operating a business centered around a “Peace, Love and Bubbles” theme including a colorful, graffiti-painted bus set up to operate both daylight and blacklight bubble events such as at festivals, concerts, parades, school events, birthdays, grand openings, daycare events, senior living events, and other types of celebrations under the Marks, using certain business formats, methods, procedures, designs, marketing and sales procedures, standards and specifications, which may be changed, improved, modified and further developed by us or our affiliates from time to time.

L. “Term” means, individually or collectively, the Initial Term, any Continuation Term and any Renewal Term of this Agreement.

M. “Transfer” means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, you or the Franchised Business, including: (a) a transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) a merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) a transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) a transfer to a personal representative upon the disability of, or transfer upon the death of, a Principal Owner; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights or rights to acquire any equity or voting interest; (g) an assignment of contract rights; (h) a sale of assets (including the inventory, furniture, fixtures, equipment and other operating

assets of the Franchised Business, other than in ordinary course of business); or (i) any change in the or management of the Franchised Business.

N. “Vehicle” means the colorful, graffiti-painted wrapped vehicle with a “Peace, Love and Bubbles” theme and outfitted with the required equipment and products which you will use in your Franchised Business. The Vehicle must be of an approved brand and model and must be wrapped. The Vehicle does not transport passengers and serves as a backdrop to the bubble event.

O. “You” shall be deemed to include: (a) those persons and their spouses owning any interest in you if you are a corporation or a limited liability company; (b) all partners and their spouses owning any partnership interest in you if you are a partnership; (c) the individual and his or her spouse if you are a sole proprietorship; (d) the guarantors of this Agreement; and (e) the Principal Owner. For purposes of determining ownership in you, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

2. GRANT OF FRANCHISE.

A. GRANT. Subject to the provisions of this Agreement, we grant to you and you accept from us, the non-exclusive right to use the System and Marks to open and operate one Bubble Bus Business. We will grant you a protected territory, as set forth in Exhibit I attached hereto, within which you will operate the Franchised Business (“Protected Territory”). The Protected Territory will be comprised of approximately 100,000-150,000 households, based on the most recent U.S. Census data as of the date of this Agreement. You will maintain all rights to the Protected Territory subject to the terms and conditions of this Agreement. You must sign a separate Franchise Agreement for each Protected Territory you purchase.

B. TERRITORIAL RIGHTS AND OBLIGATIONS. Provided you are not in default under the terms of this Agreement and subject to Sections 2.C and D below, neither we nor our Affiliates will operate, nor grant a franchise for the operation of, any Bubble Bus Business within the Protected Territory. You will conduct and operate the Franchised Business and provide Services only to customers located within the Protected Territory. You cannot solicit customers outside of your Protected Territory. Notwithstanding the foregoing, upon our prior written approval, which approval may be withheld in our sole discretion, you may provide Services to customers situated outside your Protected Territory so long as such customers are not located in the protected territory of another Bubble Bus Business. You acknowledge that you have no territorial protection to do so. Upon our establishing a Bubble Bus Business in such area, which we are free to do at any time, you must immediately stop servicing such customers located in that area and refer the customer and their related information to the new Bubble Bus Business. You are not entitled to receive any compensation for this referral.

C. RESERVATION OF RIGHTS. We, on our and our Affiliates behalf, reserve all rights not specifically granted to you pursuant to this Agreement, including but not limited to the following:

1. (i) The right to own or operate, or license others to own or operate, Bubble Bus Businesses immediately adjacent to your Protected Territory or anywhere outside of your Protected Territory; (ii) the right to operate or license others the right to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of your Protected Territory; (iii) the right to operate or license others to operate businesses that are not the same as a Bubble Bus Business under the Marks in any location, both inside or outside of your Protected Territory; and (iv) the right to offer any products or services (including the products and services you offer at your Franchised Business) through other channels of distribution

(including the Internet, print catalogues and direct marketing media) both inside and outside of your Protected Territory.

2. The right, now or in the future, to purchase, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses under the Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these businesses (which you acknowledges may be within the Protected Territory).

3. The right to sell ourselves, our assets, the Marks and/or the System to a third party; go public; engage in a private placement of some or all of our securities; merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. If we assign our rights in this Agreement, we do not need to remain in this type of business or to offer or sell any products or services to you.

D. NATIONAL ACCOUNTS. We may develop National Accounts from time to time and you may develop accounts that may qualify as a National Account. National Accounts obtained by you for Service outside the Protected Territory must be referred to us and shall be treated as a National Account; however, we reserve the right to reject any such account in our sole judgment and discretion. National Accounts shall be negotiated solely by us or our Affiliates, even if the National Account was procured by you. All National Accounts shall be deemed to be our property and you shall have no claim to such National Account. Any information supplied to us by you regarding National Accounts, and supplemental information as may be required by us may be disseminated to other Bubble Bus Businesses that may provide Services to those accounts. You agree that providing account information to such other Bubble Bus Businesses is in the best interest of the System as a whole and for enhancement of opportunities of all within the System.

If one or more locations of a National Account falls within your Protected Territory, we will first offer you the opportunity to provide Services for said locations on the terms and conditions that we have established with such National Account. You are not required to service a National Account, and if you fail to accept such offer in the manner and within the time period that we specify, we have the right to service the account ourselves, or may authorize other Bubble Bus Businesses, or our Affiliate-owned Bubble Bus Business, to provide such Services without any compensation to you. However, the decision to accept you as a provider of Services for the National Account shall ultimately rest with the National Account. You acknowledge that if the National Account refuses to accept Services from you, then we shall be free to offer the opportunity to provide Services to the National Account within the Protected Territory to other Bubble Bus Businesses.

3. TERM OF FRANCHISE AGREEMENT AND RENEWAL.

A. TERM. The initial term of this Agreement shall be for a period of 5 years from the date of execution of this Agreement, unless sooner terminated in accordance with this Agreement (the "Initial Term").

B. CONTINUATION. If you continue to operate the Franchised Business with our express or implied consent following the expiration of the Term of this Agreement, the continuation will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while you continue to operate the Franchised Business ("Continuation Term"). The Term of this Agreement will then be terminable by either party on 30 days written notice to the other party.

C. YOUR RIGHT TO RENEW. Upon expiration of the Initial Term of this Agreement, you have the right to renew up to 2 times for an additional term of 5 years on each renewal (each a “Renewal Term”) subject to the following for each Renewal Term:

1. You have notified us in writing a minimum of 180 days prior to the expiration of the Initial Term or the then ending Renewal Term (as the case may be) of your desire to renew this Agreement;

2. You have substantially complied with all provisions of this Agreement, and replace, refurbish, rewrap and/or reequip, any equipment, Vehicle and materials utilized in the operation of the Franchised Business, in compliance with the specifications outlined in the then current franchise agreement and Manual for Bubble Bus Businesses;

3. You and your owners execute the then-current form of our franchise agreement and any ancillary agreements (with appropriate modifications to reflect the fact that the Agreement relates to the grant of a renewal franchise) (“Renewal Franchise Agreement”). The then-current form of the franchise agreement and ancillary agreements may contain significantly different terms than this Agreement;

4. To the extent permitted by applicable law, you and your owners execute general releases in a form satisfactory to us, of any and all claims against us and our Affiliates, and ours and their owners, officers, directors, employees and agents; and

5. You pay us a renewal fee of \$2,500 (“Renewal Fee”).

4. FEES.

A. INITIAL FRANCHISE FEE. You must pay us an initial franchise fee (“Initial Franchise Fee”) when you sign this Agreement. The amount of the Initial Franchise Fee is \$18,000. This will grant you the right to operate one Vehicle to provide the Services within a protected territory of between 100,000 to 150,000 households (“Protected Territory”). At the same time you sign this Agreement, you may also purchase contiguous Protected Territories for \$10,000 each upon signing separate Franchise Agreements. For each additional Protected Territory, you must have a separate Vehicle and you must be open for business within 12 month of the opening of the previous Protected Territory. If you wish to purchase an additional Protected Territory at any later date, your initial franchise fee will be \$15,000 and you will sign a separate Franchise Agreement. The Initial Franchise Fee(s) is fully earned when paid and is not refundable under any circumstances.

B. ROYALTY FEE. If this is your first franchise, you are not required to pay us a Royalty Fee for the first 6 months. After the first 6 months of this Agreement you are required to pay us a quarterly Royalty Fee for the remainder of the Term. The amount of the Royalty Fee is \$750 per quarter for last 2 quarters of the 1st year of this Agreement, and \$825 per quarter for each quarter during the 2nd year of this Agreement. The Royalty Fee increases in years 3-5 of this Agreement to \$900 per quarter. On renewal, the Royalty Fee will remain at \$900 per quarter for years 1 and 2 under the Renewal Franchise Agreement, and increase to \$1,000 per quarter for years 3 through 5 of the Renewal Franchise Agreement and for the entire second renewal term.

If you or one of your affiliates already has a Franchise Agreement with us, the Royalty Fee for the first year of this Agreement will be \$750 per quarter for the 1st year of this Agreement and thereafter as set forth in the preceding paragraph for subsequent years.

The Royalty Fee will be due on the 10th day of the month following the end of each quarter.

C. ADVERTISING FEE. If we institute a National Advertising Fund, you will pay us a monthly advertising fee of \$150 per month by the 10th day of each month. We may increase the advertising fee no more than annually, and by no more than 10% per year.

D. OTHER FEES. Because technology, including technology related to websites, online, mobile and other digital applications and the uses of technology is constantly evolving, we reserve the right to require you to participate in other technologies being implemented as part of the System and charge reasonable fees therefor, in each case intended to off-set costs and expenses incurred by us or our affiliates in connection with such technologies and related services.

E. METHOD OF PAYMENT. You will make all payments due to us under this Agreement in the manner as we may require. We have the right to require you to pay amount due by electronic funds transfer ("EFT") which electronically debits from your bank account the fees described herein or by such other manner which we may designate from time to time. Any payment not received by us on or before its due date shall be deemed overdue. You shall comply with the procedures specified in the Manual or as otherwise communicated for such EFT program, and you shall perform the acts and sign the documents, including authorization forms that we, your bank and our bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of these fees and other amounts, including interest payable to you. In addition, you shall pay all costs associated with utilizing any payment program established by us. You are also responsible for all credit card fees.

F. TAXES AND ASSESSMENTS. You agree to indemnify and/or reimburse us and our Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable governmental authority as a result of the conduct of the Franchised Business or the license of any of our or our Affiliates' intangible property to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our Affiliates for these taxes does not extend to income-type taxes which are imposed on us or our Affiliates' income.

G. INTEREST ON LATE PAYMENT. Royalty Fees, Advertising Fees and other amounts which you owe to us bear interest after their respective due dates at the lesser of 1½% per month or the highest applicable legal rate in the state in which the Protected Territory is predominantly located. You acknowledge that the foregoing does not constitute our agreement to accept payments after same are due or a commitment by us to extend credit to, or otherwise finance your operation of the Franchised Business. Our right to interest is in addition to any other remedies that we may have.

H. APPLICATION OF PAYMENTS. We have the sole discretion to apply any payments by you to any past due indebtedness of yours from us or our Affiliates, interest or any other indebtedness owed by you to us or our Affiliates.

I. NO RIGHT OF OFFSET. You agree to make prompt payment, without deduction or set-off, of all charges which are properly due. You cannot withhold any payment to us or our Affiliates on the grounds of non-performance by us of any of our obligations hereunder.

5. OUR OBLIGATIONS.

A. TRAINING PROGRAM. Before commencing the operation of the Franchised Business, your Principal Owner and one additional employee (if any) must attend and satisfactorily complete our initial training program. In the event you or your owners have an ownership interest in an entity that currently operates another Bubble Bus Business, we will provide such training only if we deem it necessary. The initial training program is provided at no charge to you. However, you are responsible for any salary, travel and living expenses that your Principal Owner and your employee incurs during training. If your Principal Owner fails to satisfactorily complete the initial training program, we may treat such failure as a material default under this Agreement. If the initial training program for owners and your personnel changes between the effective date of this Agreement and date your owners and personnel participate in the program, such persons will be required to complete the then current initial training program. Even if the initial training program requirements change, you will only be required to pay such fees for any initial training program as are provided in this Agreement or the franchise disclosure document you received.

B. SUBSEQUENT TRAINING. We may offer refresher programs to you, your Principal Owner or your experienced employees. We are permitted to charge a reasonable fee for any subsequent training we may offer or require. You must pay the compensation of the trainees as well as such trainees' travel, lodging and personal expenses during any subsequent training.

C. CONTINUING ADVISORY ASSISTANCE. We will make available continuing advisory assistance in the operation of the Franchised Business, rendered in such manner and available from time to time, as we may deem appropriate. If we send our representatives to your Franchised Business to provide assistance, we reserve the right to charge a reasonable fee for this type of assistance.

D. EQUIP YOUR VEHICLE. Your Vehicle must be sent to us prior to your attendance at the initial training program. We will have the Vehicle wrapped by an approved supplier; however, you are required to pay for the wrapping. You will be required to pay us or our affiliate for equipping the Vehicle with all of the required equipment, an initial inventory of bubble fluid, branded merchandise, and literature and makeup package.

6. OPERATING PROCEDURES. You must operate the Franchised Business in conformity with all uniform methods, standards and specifications as we may from time to time prescribe in the Manual or as contained in other written instructions, to ensure that the highest degree of quality and service is uniformly maintained. You agree to the following:

A. AUTHORIZED SERVICES. The reputation and goodwill of Bubble Bus Businesses are based upon, and can be maintained and enhanced only by the furnishing of high quality Services. We provide to you during the training program and through the Manual with a list of the Services which are required and authorized to be offered by Bubble Bus Businesses. We may add products and additional Services or change products or Services which you may, in our sole discretion, be required to offer. You agree that you will offer all Services required for Bubble Bus Businesses and will not, without our prior written approval, offer any type of service or sell any product or service that we do not authorize for the Franchised Business. We may develop additional programs and services that, upon written notice from us, you must offer. We may, to the extent permitted by applicable law, set prices for the Services you offer at the Franchised Business.

B. OPTIONAL SERVICES. We may develop new products, services or programs which we may allow you to provide or participate in at your option. If you wish to offer such optional products or services, or participate in a new program, you must (i) be in compliance with the terms of this Agreement, (ii) give us 30 days prior written notice of your intent; (iii) conform to all standards and specifications set forth in the Manual regarding the optional products, services or program; satisfactorily

complete any additional training; and (iv) purchasing additional equipment if required. There may be additional fees which you must pay to us based on the revenue generated from providing or participating in such new products, services or programs which will be detailed in the Manual.

C. APPROVED SUPPLIES AND APPROVED SUPPLIERS. You must purchase all products, services, supplies, equipment and materials required for the operation of the Franchised Business from manufacturers, suppliers or distributors designated by us, or from other suppliers we approve who meet our specifications. Currently, we and our Affiliates are the sole approved suppliers for certain equipment, bubble fluids and branded merchandise. Some of these items are proprietary, and are an integral part of the System constituting valuable trade secrets of us and our Affiliates.

Specification of a supplier may be conditioned on requirements relating to, among other things, length of time the supplier has conducted business, quality of products, frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contribution, or other consideration to us, our Affiliates or the Fund, if any, and may be temporary, in each case in our reasonable discretion. We may from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We or our Affiliates may receive rebates, commissions and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under this Agreement.

If you wish to purchase or lease any goods, products, equipment, supplies or use suppliers, that are not approved by us as meeting our specifications, you must first notify us. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment, supplies or suppliers meet our specifications. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. Generally, we will advise you within a 30 day period whether these goods, products, equipment, supplies or suppliers meet our specifications. We may require samples from alternate suppliers or vendors to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay a charge not to exceed the actual cost of the test made by us or by an independent testing laboratory designated by us.

WE AND OUR AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS WE APPROVE AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

D. VEHICLE. It is your responsibility to ensure the Vehicle complies with all legal and safety standards at all times. You must properly maintain the Vehicle so that it is, at all times, clean, safe, reliable, in good condition with no material body damage or mechanical issues, functional for its intended use and purpose and in accordance with applicable law. If at any time the Vehicle does not meet these requirements for any reason, it must be returned to its required condition as herein provided as soon as reasonably practicable. You must not transfer any Vehicle without first removing all of the Marks and wrap. The Vehicle must be in attendance every time you provide the Services. If you do not use the approved products or equipment, or if you dilute the bubble fluid, fail to bring the Vehicle when you provide any Services ("Improper Event"), you agree that we will be damaged. These damages will be calculated at the rate of \$500 for each Improper Event. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the Improper

Event are difficult to determine and all parties desire certainty in this matter and agree that the damages provided here are reasonable and constitute liquidated damages and not a penalty.

E. SPECIFICATIONS, STANDARDS AND PROCEDURES. We endeavor to maintain high standards of quality and service by all Bubble Bus Businesses. To this end, you agree to cooperate with us by maintaining high standards in the operation of the Franchised Business. You must comply with all of the procedures and systems we institute both now and in the future, including those relating to the Services you offer in connection with the Franchised Business, computer software and hardware requirements, terms and conditions of use of our website, good business practices, advertising and other obligations and restrictions set forth in this Agreement, the Manual (as may be amended from time to time) or otherwise in writing. Mandatory specifications, standards and operating procedures described by us in the Manual, or otherwise communicated to you in writing, constitute provisions of this Agreement as if fully set forth in this Agreement.

F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES. You must secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Franchised Business. You must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including but not limited to OSHA, health and sanitation laws and commercial vehicle licensure laws. All of your advertising and promotion by must be completely factual and must conform to the highest standard of ethical advertising. You must, in all dealings with your customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business or the goodwill associated with the System, the Marks, and other Bubble Bus Businesses.

G. INSURANCE. You must maintain in force at your sole expense the minimum amount and types of insurance set forth in our Manual. Regardless of the amounts set forth in the Manual, it shall be your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of the Term of this Agreement. You should determine, through consultation with your advisors, if additional insurance is necessary, and you recognize that any recommended levels are merely minimum requirements.

Upon 30 days prior notice to you, we may increase the minimum insurance requirements and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

All insurance policies must be issued by one or more insurance carriers with an A.M. Best rating of A or higher. All liability insurance policies must name us, and our designated Affiliates, as additional insureds, on a primary and non-contributory basis and must contain endorsements waiving rights of subrogation, where permitted by law. The policies must also provide that we receive at least 30 days prior written notice of termination, expiration, cancellation or modification of any policy and 10 days' notice of non-payment of any premium.

You must submit to us a copy of the certificate of or other evidence of each insurance policy and continue to do so annually upon obtaining any insurance policy or each extension or renewal of any insurance policy. If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of insurance, we, at our option and in addition to our other rights and remedies under this Agreement, may obtain insurance coverage on your behalf, and you must promptly execute any applications or other forms or instruments required by us to obtain any insurance and pay to us, on demand, any costs and premiums incurred by us.

Your obligation to obtain and maintain the insurance described is not limited in any way by reason of any insurance maintained by us, nor does your performance of the obligations relieve you of any obligations under this Agreement. Our review and verification of certain elements of your insurance does not reduce or eliminate your obligations to fully comply with the insurance requirements. We do not represent or warrant that any insurance you are required to purchase will provide adequate coverage for you. The insurance requirements specified in this Agreement or in the Manual are for our protecting. You should consult with your insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits required by us.

H. CONFIDENTIAL OPERATIONS MANUAL. We will provide you, for the duration of the Term, with access to the Manual. You agree that you must comply with the mandatory requirements in the Manual and said compliance is an essential part of your obligations under this Agreement. You must, at all times, be responsible for ensuring that your employees and all other persons under your control comply with the mandatory provisions of the Manual in all respects. The Manual will constitute our Confidential Information and shall remain our property. The Manual cannot be photocopied, reproduced or disseminated without our written consent. The Manual may be modified from time to time by us in our sole discretion, and you agree that from time to time we may reasonably change the System. You expressly agree to comply with each modification, addition or deletion of the System or Manual at your sole cost and expense. You acknowledge that such changes may be necessary and may involve the expenditure of substantial sums of money by you. We agree to impose such requirements and changes in a reasonable, non-discriminatory manner among other franchisees. You must at all times insure your copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us shall be controlling.

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole discretion and as we may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such franchise owner's business. We may grant variations from standard specifications and practices as we determine in our sole discretion, and we shall have no obligation to grant other franchisees like or similar variations.

I. INNOVATIONS. All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning a Bubble Bus Business, whether or not protectable intellectual property and whether created by or for you or your owners, affiliates, employees or representatives, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any such item does not qualify as a "work made-for-hire" for us, you must assign, or must require your owners, affiliates, employees or representatives to assign, your or their ownership interest of such item to us. You agree to take, or direct your owners, affiliates, employees or representatives to take, whatever action required by us to document such assignment or to assist us in obtaining any and all intellectual property rights in such item.

J. OPENING OF THE FRANCHISED BUSINESS. You agree to begin operation of the Franchised Business within 120 days after this Agreement is accepted by us. You may, but are not required to, lease office space for the Franchised Business. Otherwise, you are permitted to operate the Franchised Business from your Principal Owner's home if it is permitted under applicable law. Your office must be within your Protected Territory unless you have multiple Protected Territories in which case the office must be in one of your Protected Territories. You must not open or close any office nor change the location of any office without first notifying us. Your Franchised Business is considered open

for business once you satisfactorily complete the initial training program and take possession of the Vehicle.

K. USE OF NAME AND SYSTEM. You agree that during the Term you will operate, advertise and promote the Franchised Business under the name “Bubble Bus” without prefix or suffix and to adopt or any other Marks we require and use the Marks and System licensed hereunder solely in the manner prescribed by us.

L. ACTUAL PARTICIPATION. You recognize the importance of the Principal Owner’s participation in the management of the Franchised Business and that the Principal Owner’s agreement to participate in the operation of the Franchised Business is a material inducement for us to enter into this Agreement. Therefore, you agree that the Principal Owner who has satisfactorily completed our initial training program is required to use his or her best efforts and is personally responsible for the operation of the Franchised Business. In any event, the Principal Owner is required to carefully monitor and be responsible for the performance of anyone else who will provide Services in the operation of the Franchised Business. If there are any supervisory personnel, they are required to sign an agreement regarding confidentiality and covenants not to compete and non-solicitation in a form similar to the form set forth in the Manual or which we approve.

M. COOPERATION FOR FINANCIAL PERFORMANCE REPRESENTATIONS. You will maintain your books and records in accordance with generally acceptable accounting principles, consistently applied. If we at any time desire to utilize a financial performance representation or similar document in connection with the sale of franchises, you agree to provide us, at no cost, with such reasonable information as we may require in order to properly prepare such representation, and will permit us to utilize such information as we deem necessary.

N. REQUIRED PRODUCT PURCHASES. You are required to purchase the following minimum amount of bubble fluid from us or our Affiliate on an annual basis: Year 1 of the Franchise Agreement, you must purchase the initial inventory and an additional 120 gallons. Years 2-3 of the Franchise Agreement you must purchase a minimum of 600 gallons per year. Years 4-5 of the Franchise Agreement, you must purchase a minimum of 900 gallons per year. If you sign a Renewal Franchise Agreement, you must purchase a minimum of 900 gallons per year for years 1-2 of the Renewal Franchise Agreement and a minimum of 1,200 gallons per year for years 3-5 of the Renewal Franchise Agreement.

If, at the end of each year, you have failed to purchase the minimum amounts of products required, we will send you the amount of the deficiency, which you must immediately pay to us at your sole cost and expense. The price list for the bubble fluid will be set forth in the Manual. We reserve the right to test your bubble fluids and concentrates at any time without notice to you in order to ensure product quality, customer safety and overall brand integrity. We reserve the right to change the amounts and types of minimum product purchases you must make, but in no event will the cost increase more than 15% in any single year.

Notwithstanding anything herein to the contrary, it will be considered a default if you dilute any of the bubble fluids which you are required to purchase from us or our Affiliate.

O. UPGRADING AND MAINTENANCE. You will maintain the Franchised Business’ equipment, Vehicle, vehicle wrap, fixtures and all other tangible property. If these items become obsolete, impaired to the extent that they can no longer adequately perform the functions for which they were originally intended and/or no longer project our mandated standards of cleanliness, maintenance, condition and repair, you will replace these items in order to comply with our then-current requirements

and specifications. You understand that you may be required to purchase additional or upgraded fixtures, Vehicles, vehicle wrap and equipment from time to time at your sole expense as we require.

7. ADVERTISING.

A. NATIONAL ADVERTISING FUND. We reserve the right to establish an Advertising Fund (the “Fund”). If so, you will be required to pay your Advertising Fees of \$150 per month into the Fund. The Fund will be used to provide advertising, marketing and promotional activities we deem beneficial to the System. We agree to use the Advertising Fees received from you for the payment of costs associated with the creation, production, distribution, media placement, maintenance and upgrading of our website, and administration of local, state, regional or national advertising programs we may develop or have developed, and for any taxes incurred on these funds. The Fund is intended to maximize recognition of the Marks and the patronage of the Bubble Bus Businesses generally. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Bubble Bus Businesses, we do not ensure that the Fund expenditures in or affecting any geographic area will be proportionate or equivalent to the Fund contributions by Bubble Bus Businesses operating in that geographic area or that any particular Bubble Bus Business will benefit directly or in proportion to your Fund contributions. We have the right to determine the type of advertising and the media in which it will appear, as we feel is appropriate. We have the sole right to formulate and make policy decisions concerning every aspect of the advertising, consistent with applicable law. We do not have to spend the advertising funds during any specific time period. Marketing and advertising may be handled by the outside advertising agency which we select.

Unaudited financial statements of the Fund will be made available to you on your reasonable request. If we do not use all of the funds deposited in the Fund in a particular fiscal year, the remaining funds will be carried over to the next fiscal year and be included in that year’s advertising budget. We are entitled to reimbursement from the Fund to cover our administrative and overhead expenses associated with operating the Fund. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use the contributions only for the purposes described above. We have no fiduciary obligation to you for administering the Fund.

B. YOUR OWN ADVERTISING. In addition to the Advertising Fee and your grand opening advertising requirements described in Section 7.C, below, you must spend at least \$150 each month on your own advertising. You must provide proof of your advertising and sales promotion expenditures in such form, with such detail and including copies of such advertising and materials and receipts as we request. We must consent to your use of any advertising and sale promotion materials before you use them. You must submit all of your advertising and sale promotion materials to us or our designee at least 20 days prior to use. If we do not reject these materials within 20 days, we will be deemed to have consented to your use of them.

You will not advertise, or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols (“©”, “®”, “TM” or “SM”) as we direct. You will not advertise your products or services or use the Marks on the Internet except with our prior consent.

C. GRAND OPENING ADVERTISING. In addition to the other advertising requirements described above, you must spend a minimum of \$5,000 for grand opening advertising and sales promotions 60 days prior to the Franchised Business opening. Additionally, you will provide us, within 90 days after the opening of the Franchised Business, proof of your advertising and sales promotion expenditures in such form, with such detail and including copies of such advertising and materials and receipts as we request.

D. INTERNET AND OTHER ELECTRONIC ADVERTISING. We have established an Internet websites www.bubble-bus.com, www.teknobubbles.com, www.bubblebus.com and www.bubblebusfranchise.com, which we control. Subject to our right to consent, you may be permitted to create a social media account from which to advertise your Franchised Business on the Internet (such as on LinkedIn, Facebook or Twitter). Any such permission shall only be for such time as we permit and shall be on the terms and condition we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to require a modification of or cease granting you permission to develop, operate or maintain any website, mobile app or social media outlet for your Franchised Business at any time and to require you to give us administrative control and/or log-in information for any social media site you operate for the promotion of the Franchised Business. Except as otherwise provided in the Manual or otherwise in writing, you may not maintain a presence on the Internet for your Franchised Business. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means shall be pre-approved by us and on terms specified by us.

8. RECORDS. You will maintain and preserve for at least 7 years from the dates of their preparation, full, complete and accurate books, records and accounts in the form and manner prescribed by us from time to time. You will provide us with any periodic reports, information and supporting records as we prescribe. All reports, financial statements and information must be on forms we prescribe or approve and must be verified and signed by you.

9. INSPECTIONS. To determine whether you are complying with the terms of this Agreement, and/or to determine whether you are complying with all applicable specifications and quality standards in connection with your use of the System and Marks, we or our designated agents, have the right, at any reasonable time and without prior notice to you to, among other things:

1. Observe you and any employees or agents of the Franchised Business during the performance of any Services;
2. Inspect any Vehicles displaying any signage, logo, graphic or wrap associated with the Franchised Business; and
3. Contact and interview any customers of the Franchised Business; and
4. Our inspections and evaluations may include a “mystery shopper” program from time to time throughout the term of this Agreement. If you fail an evaluation by us or by a mystery shopper or if we receive a specific customer complaint, you must pay the costs and expenses of subsequent “mystery shopper” visits.

We assume no liability to you or third parties with respect to such inspections, and you understand that the purpose of the inspections is to protect the System, Marks and goodwill arising therefrom, and not to assume any responsibility for any deficiencies or defects, etc. We may require that you furnish your customers with an evaluation form prescribed by us, pre-addressed and postage prepaid, to us. You must fully cooperate with our representatives making any inspection or observing your or any of your employees or agents’ work in the Franchised Business.

10. MARKS.

A. OWNERSHIP AND GOODWILL OF MARKS. You acknowledge that the Marks are valid service and/or trademarks, which are licensed to us. You recognize that valuable goodwill is

attached to the Marks, and that you will use the Marks only in the manner and to the extent specifically licensed by this Agreement. Any goodwill arising out of your use of the Marks inures to the benefit of us and our Affiliates. You further acknowledge that the right to use the Marks and the grant contained in this Agreement is non-exclusive. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights and the rights of our Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional service marks, trademarks, trade dress, trade names, logos and commercial symbols hereafter authorized for use by, and licensed to, you.

B. LIMITATIONS ON USE OF MARKS. You agree to use the Marks as the sole identification of the Franchised Business, provided that you identify yourself as the independent owner in the manner prescribed by us. You must not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may you use any Mark in the performance or sale of any unauthorized services or products or in any other manner not expressly authorized in writing by us. You agree to display the Marks prominently and in the manner prescribed by us on forms authorized by us. All Marks must be displayed in the manner prescribed by us. You agree to give notices of trademark and service mark registrations and copyrights as we specify and to obtain fictitious or assumed name registrations as applicable law requires.

C. RESTRICTIONS ON INTERNET AND WEBSITE USE. You acknowledge that we or our Affiliate are the lawful, rightful and sole owner of the www.bubble-bus.com, www.teknobubbles.com, www.bubblebus.com and www.bubblebusfranchise.com Internet addresses (URL), and you unconditionally disclaim any ownership interest in that or any similar Internet address. You will not maintain a world wide website, or social media (e.g., LinkedIn, Facebook or Twitter) account or user name, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with the Franchised Business, without our prior written consent or in the manner we approve. You agree not to register any Internet address name under any Internet domain, class or category that contains the phrase “Bubble Bus” or any abbreviation, acronym or variation of that phrase. We and our Affiliates retain the sole right to advertise on the Internet and create a website using the Marks or any variation of the Marks. We and our Affiliates retain the sole right to determine the content on any website we create. We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. You will, within 5 days after our request, dismantle any frames and links between your web pages and any other websites.

D. NOTIFICATION OF INFRINGEMENTS AND CLAIMS. You will not directly or indirectly contest or aid in contesting the validity of our ownership of the Marks, trade secrets, methods, procedures and advertising techniques which are part of the System, or contest our or our Affiliates’ rights to register, use or license others to use the Marks or the System. You will not at any time (whether during or after the Term of this Agreement) directly or indirectly infringe on our rights to or in the Marks. You agree to promptly notify us of any claim, demand or suit based upon or arising from any attempt by anyone else to use the Marks, or any colorable variation thereof. We and our Affiliates will have the sole discretion to determine if we will defend the use of the Marks, and we or our Affiliates are not obligated to defend the Marks. We or our Affiliates have the right to control any administrative proceeding or litigation involving the Marks. You will execute any and all instruments and documents, render assistance and do such acts as may, in the opinion of our counsel, be necessary or advisable to protect our interests or the interests of our Affiliates in any such litigation or proceedings, or to otherwise protect and maintain our interest or the interest of our Affiliates in the Marks.

E. DISCONTINUANCE OF USE OF MARKS. We will have the right to change the Marks to be used by you at any time and for any reason we deem appropriate. You will pay the costs associated with any change in the Marks we make, and you will make these changes promptly.

F. USE OF COPYRIGHTED MATERIALS. We may permit you to use copyrighted materials. If we decide to modify or discontinue the use of the copyrights and/or to use one or more additional or substitute other products or proprietary materials, you must make the changes at your own expense and without claim against us. You will need to comply within a reasonable time of the request. Neither we nor our affiliates are obligated to reimburse you for any expenses or loss of revenue or goodwill arising from any modification or discontinuation of the subject of any copyright.

You must notify us immediately of any apparent infringement or challenge to your use of the copyrighted material, or any claim by any person of any rights in the copyrighted material. We will have the sole discretion to take action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of any infringement, challenge or claim. You must execute any and all instruments and documents, provide such assistance, and take any action that may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or otherwise to protect and maintain our interest in the copyrighted material. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a copyright or if the proceeding is resolved unfavorably to you. Any finding of invalidity of any claim of any patent shall not affect your obligations to us.

11. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION. We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself at the premises of the Franchised Business and in all dealings with the public as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that our relationship is other than franchisor and franchisee.

Nothing in this Agreement or in its performance, or otherwise is intended to make us your employer or joint employer, or of any of your employees, agents or independent contractors and you agree that we are not in a position to, and do not undertake to: exercise control over the employment, supervision, or discharge of your employees and have no right to do so, other than to the extent of controlling the quality of the System and the quality of the products and services that you offer; maintenance of your Bubble Bus Business; guest safety and health; or other matters arising out of or affecting your Bubble Bus Business, which are within your responsibility as a qualified independent business operator.

Under no circumstances will we be liable for any act, omission, debt, or other obligation of you. You will indemnify, defend and save harmless us and our employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns (each an "Indemnatee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable legal fees and expenses) of any kind and nature whatsoever, including damages or injuries suffered by any Indemnatee, which may be imposed on, incurred by or asserted against any Indemnatee in any way arising out of the acts or omissions of you or your employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns pursuant to or in connection with the operation of the Franchised Business regardless of whether the Indemnitees were negligent or that this negligence was a contributing factor in any Indemnatee's liability (to the extent permitted by applicable law).

12. TRANSFER.

A. BY US. We are free to assign all of our rights and obligations under this Agreement, and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee.

B. BY YOU. The rights and duties created by this Agreement are personal to you. We have granted this franchise in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer without our prior written consent. Any consent by us will not operate as a consent to any future Transfer, and no future Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at our option. If we elect not to exercise our right of first refusal pursuant to Section 12.D below, we will not unreasonably withhold our consent to a Transfer, provided that the following conditions are satisfied:

1. **Governmental Compliance.** The Transfer is conducted in compliance with applicable laws, regulations and licensing requirements;

2. **Prior Compliance.** You have performed your obligations and duties under this Agreement and you are not in default under this Agreement, or any other agreement with us or our Affiliates;

3. **Payments.** You have satisfied all of your obligations to us or our Affiliates and suppliers under this Agreement and all other agreements you have with us or our Affiliates;

4. **Release.** You, including all owners, officers and directors (as well as all guarantors under this Agreement) must execute a general release, in the form approved by us, of any and all claims against us and our Affiliates, and ours and their respective owners, officers, directors, employees and agents;

5. **Requirements of Transferee.** The transferee meets the established standards for new franchisees, is of good moral character, and has a good credit rating, sufficient financial resources to operate the Franchised Business and competent qualifications. At our option, the transferee must assume all of your obligation under this Agreement and any and all ancillary documents, or execute the most current franchise agreement for the state in which the Franchised Business is located and any and all ancillary documents including the Guaranty and Assumption of Obligations;

6. **Transfer Fee.** We are paid a "Transfer Fee" of \$5,000;

7. **Assumption of Liabilities.** The transferee agrees to assume all liabilities and obligations from the prior operation of the Franchised Business and comply with other reasonable requirements we may impose;

8. **Completion of Training.** The transferee and the transferee's designated manager or employee, if any, successfully completes the initial training program;

9. **Updates to Equipment.** The transferee updates the equipment and Vehicle used in the Franchised Business to comply with the then-current standards imposed by us;

10. **Continuing Liability.** If we approve a Transfer, we shall have the discretion to require you and the guarantors of this Agreement to remain liable for the full and faithful performance of the obligations of the transferee; and

11. **Economically Reasonable Terms.** Although we will not be required to determine the value of business upon a Transfer, if, in our reasonable judgment, the purchase price or terms of the Transfer are not economically feasible to the transferee, we can withhold our consent to such Transfer. Our consent is not, however to be construed as an implication or warranty that the terms of the sale are in

fact economically feasible. We may, in good faith, notify you and the transferee, stating the reasons for which we have elected to withhold approval of the proposed Transfer.

C. DEATH OR DISABILITY OF YOU. Notwithstanding the foregoing restrictions on Transfers, a Transfer to your or your Principal Owner's heirs, personal representatives or conservators, as applicable, in the event of death or legal incapacity of you or your Principal Owner, is permissible if such heirs, personal representatives or conservators, as applicable, meet our standards for new franchisees, assume all of your obligations under this Agreement, all ancillary documents and executes a new Guaranty and Assumption of Obligations, or execute the then-current form of franchise agreement and all ancillary documents, including the Guaranty and Assumption of Obligations; and have satisfactorily completed our initial training program at such heir's, personal representative's or conservator's sole cost and expense. No Transfer pursuant to this Subsection shall be subject to the Transfer Fee.

D. OUR RIGHT OF FIRST REFUSAL. Notwithstanding the foregoing paragraphs (other than paragraph 12.C), if you receive a bona fide, executed, written offer to acquire an interest in this Agreement, you or the Franchised Business from a responsible, fully disclosed third party purchaser, you must submit a copy of the offer to us. You must also provide us with any other information we request to evaluate the offer. We have the right, exercisable by delivering written notice to you within 30 days from the date of last delivery by you of the offer and any other documents we request, to acquire such interest for the price and on the terms and conditions contained in the offer, except that regardless of the terms of the offer we may substitute cash for any form of payment proposed in the offer; require you to include customary warranties and representations in the purchase agreement; and structure the transaction as an "asset purchase," rather than a "stock purchase." We will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed sale and will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest proposed to be transferred (for example, we will not be obligated to pay any earn out or other share of the profits from our operation of the Franchised Business after the Transfer is completed). If we decline to exercise our right of first refusal, you will have 90 days after the earlier of our decline to exercise the right or the expiration of the right, to sell such interest to the bona fide third party purchaser upon the terms and conditions described in the offer notice submitted to us, subject to compliance with Section 12.B. In the event you fail to complete the sale of such interest to this third party on these terms within this 90 day period, you must again comply with this paragraph and give us the first right to acquire such interest prior to any sale. Our election to not exercise our right of first refusal as to any particular offer will not affect our right of first refusal as to any subsequent offer.

13. DEFAULT AND TERMINATION.

A. TERMINATION BY US.

1. With 30 Day Opportunity to Cure. We may, at our option and without prejudice to any other rights or remedies provided for in this Agreement or at law or in equity, terminate the Term of this Agreement for "good cause". Without limitation as to other situations, good cause for termination exists if you or any guarantor of this Agreement:

(a) Does not perform all of the lawful terms, conditions and obligations of this Agreement or the mandatory obligations under the Manual; or

(b) Loses any permit or license which is a prerequisite to the operation of the Franchised Business for a period of 5 days; or

(c) Misuses the Marks or Confidential Information, or engages in conduct which, in our sole opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the franchise system or the Franchised Business; or

(d) Is adjudged bankrupt, becomes insolvent or makes a general assignment for the benefit of creditors (subject to paragraph 13.A.3.(d) below); or

(e) Fails to keep the Franchised Business open for a period of 5 consecutive days without justifiable cause; or

(f) Fails to pay your or their lawful debts and taxes when the same become due; or

(g) Commits any other act which constitutes good cause under applicable state law or court decisions.

Subject to applicable law and except as otherwise provided in this Agreement, we will give you at least 30 days' prior written notice of default (except that, if state law permits, we will have the right to terminate earlier if the "good cause" constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have 30 days from the date of the notice to correct any claimed deficiency. If the default is corrected within this period, the notice will be void. If the default is not corrected within this period, we have the right to terminate the Term of this Agreement immediately.

2. With 10 Day Opportunity to Cure. We may also terminate the Term of this Agreement for non-payment of sums due to us or our Affiliates or suppliers; or your failure to open the Franchised Business for business 120 days after our acceptance of this Agreement. Subject to applicable law and except as otherwise provided in this Agreement, if termination is based on the foregoing, we will give you at least 30 days' prior written notice of such default (except that, if state law permits, we will have the right to terminate earlier if the claimed deficiency constitutes a default that is not curable). The notice will state the reason(s) for default and will provide you with at least 10 days from the date of the notice to correct any claimed deficiency. If the deficiency is corrected within this period of time, the notice will be void. If the deficiency is not corrected within this period of time, then we have the right to terminate the Term of this Agreement effective 30 days after the date we gave you notice of default.

3. Without Opportunity to Cure. Notwithstanding anything contained herein to the contrary, if state law permits, we will be permitted to terminate the Term of this Agreement immediately and without notice when the basis or grounds for termination is: (a) conviction of a felony or any other criminal misconduct that, in our sole opinion materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Business or the System; (b) fraudulent activity that in our sole opinion materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Business or the System; (c) abandonment of the Franchised Business; (d) your bankruptcy or insolvency or that of your guarantors; (e) the giving of more than 2 no account or insufficient funds checks to us or our Affiliates within a 12 month period, or our or our Affiliates receipt of any similar notice when utilizing any EFT payment; (f) your making or having made any material misrepresentation or omission in the application for this franchise; (g) repeated failure or refusal to comply with the lawful provisions of this Agreement, (i.e., 2 or more times in any 12 month period), whether or not such failures or refusals are corrected after notice and whether or not such failures relate to the same provision; or (h) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

B. TERMINATION BY YOU. You must notify us in writing of any failure by us to perform any of our obligations pursuant to this Agreement. You may terminate the Term of this Agreement only if we materially default in our performance of any terms and conditions in this Agreement, you give us written notice within 30 days of this material default and we fail to cure this material default within 60 days of our receipt of your written notice of default.

C. CONSEQUENCES OF TERMINATION. Upon termination or expiration of the Term of this Agreement for any reason whatsoever or upon any Transfer, all of your rights hereunder shall terminate, and you must do the following:

1. Cease to be a franchisee of ours and cease to operate the Franchised Business. You must not thereafter directly or indirectly represent to the public that the former business is or was operated or in any way connected with the System or hold yourself out as a present or former franchisee of ours.

2. Discontinue use of all Marks, signs, colors, structures, printed goods and forms of advertising indicative of our business, and return any copyrighted materials that have been provided to you by us, including the Manual and any other materials that contain the Marks. In addition, you must have the wrap removed from your Vehicle.

3. Pay all amounts due to us, our Affiliates and suppliers.

4. Cancel any assumed name registration or equivalent registration obtained by you that contains the Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within 5 days of the termination or expiration of the Term of the Agreement or the Transfer. Thereafter, you must not do business under any name using any Mark (or any abbreviation or derivation thereof, or substantially similar thereto).

5. Irrevocably appoint us or our nominee to be your attorney-in-fact coupled with an interest, and with power of substitution, to execute and to file for you any relevant document to transfer your telephone number or telephone listing. We have the right to file an original counterpart or a copy of this Agreement with the telephone company, landlord or any court, agency or person as written evidence of your appointment of us or our nominee to be your attorney-in-fact. A power of attorney is attached hereto as Exhibit V.

6. You will immediately cease providing services to all customers and forfeit all rights you have to the customer accounts and any and all information about the customers. Upon our request, you will assign us any or all of your customer contracts, and we will have the right to either service the accounts or assign the servicing of the accounts to others. In such event, you will provide us with all records, files and information on each customer upon our request.

7. Comply with all post-term covenant obligations, including without limitation the Confidential Information, non-competition, non-solicitation and indemnification provisions.

Neither a Transfer nor the termination or expiration of the Term of this Agreement will relieve you of any of your obligations to us or our Affiliates existing at the time of such Transfer, termination or expiration, or terminate your obligations that, by their nature, survive a Transfer, or the termination or expiration of the Term of this Agreement. Furthermore, a Transfer or the termination or expiration of the Term of this Agreement will be without prejudice to our rights against you; and in the event of a termination that is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

14. RESTRICTIVE COVENANTS.

A. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION. In consideration of our granting you a franchise, and in recognition by you that the Confidential Information constitutes valuable and unique assets owned by or in the custody of us, you hereby agree and covenant that you will not use or disclose the Confidential Information or any part of the Confidential Information in any manner or for any purpose other than in the performance of your obligations pursuant to this Agreement and your operation of the Franchised Business, now and in the future. You must hold all the Confidential Information in the strictest confidence and not use it, reproduce it, distribute it or disclose it to anyone without our prior written consent or as required by law during the Term of this Agreement and thereafter. You agree that the disclosure or use by one of your partners, shareholders, members or owners, or any spouse or member of the immediate family of the foregoing, of any Confidential Information other than in the operation of the Franchised Business, shall be deemed a breach and default by you of this Section. You further acknowledge that it would be an unfair method of competition for you or such partner, shareholder, member, owner, spouse or family member to use, duplicate or disclose any of the Confidential Information or knowledge, know-how or expertise received from us for any use other than the operation of the Franchised Business in accordance with this Agreement.

B. COMPETING BUSINESS DURING THE TERM OF THIS AGREEMENT. You acknowledge the uniqueness of the System and that we are making our knowledge, know-how and expertise available to you for the purpose of operating the Franchised Business strictly and solely within the Protected Territory. You agree that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise you receive from us or our Affiliates for any reason other than for the operation of the Franchised Business under this Agreement. You further recognize the importance of devoting substantial time and energy to the Franchised Business. Therefore, you warrant that during the Term of this Agreement, unless you have our prior written consent, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of ours (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the area within the metropolitan area which contains your Protected Territory and all metropolitan areas which contain protected territories of other Bubble Bus Businesses.

C. COMPETING BUSINESS AFTER THE TERM OF THIS AGREEMENT. For 2 years after a Transfer, the expiration or termination of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from us to you or your owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the area within the metropolitan area which contains your Protected Territory and all metropolitan areas which contain Protected territories of other Bubble Bus Businesses.

D. NON-SOLICITATION. For a period of 2 years after any Transfer, or the expiration or termination of the Term of this Agreement, whether for any reason or no reason, voluntary or involuntary, or for cause or without cause, you will not, directly or indirectly, solicit or accept any business from, and will not directly or indirectly contact any existing customers or identified prospective customers with whom you or your employees or other agents have had direct or indirect contact or about whom you or your employees or other agents have learned Confidential Information by virtue of the operation of the

Franchised Business (“Customers”), other than Customers with whom you have had no contact within the 2 years preceding such termination, expiration or Transfer. This section only applies where permitted by applicable law.

E. REASONABLENESS OF RESTRICTIONS. You and the guarantors of this Agreement acknowledge and confirm that the length of the term and geographical restrictions contained in this Section 14 are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You acknowledge and confirm that your and their full, uninhibited and faithful observance of each of the covenants contained in Section 14 will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Section 14 will not impair your or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to you or them, or otherwise to obtain income required for your or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

You acknowledge that to disregard the provisions of this Section 14 would effectively foreclose us from selling other franchises and you could be unjustly enriched and unfairly derive benefit from the goodwill of and training you receive from us. Moreover, our franchisees and the Bubble Bus Businesses could be severely disadvantaged if you compete against them using the Marks or other Confidential Information. We intend to restrict your activities under Section 14 of this Agreement only to the extent necessary for the protection of our, our Affiliates’ and our franchisees’ legitimate business interests. Each of the foregoing covenants will be construed as severable and independent, and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction will determine the business, time or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then the court so holding will reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in Section 14, without your consent, effective immediately upon receipt by you of our written notice; and you will comply with any reduced covenant. In addition to any other remedies available at law or equity, we will have the right to injunctive relief without the necessity of posting bond for your violation or threatened violation of any covenant described in Section 14. The terms of this non-compete are assignable by us and will inure to our benefit, as well as our successors and assigns. In the event of any assignment, sale, merger or change in our ownership or structure, the resulting entity will step into our place, without any additional consent of or notice to you, as if the terms “us”, “our” or “we” were defined in this Agreement to include such entity.

15. DISPUTE RESOLUTION. We and you acknowledge that during the Term of this Agreement or thereafter, certain disputes may arise between the parties that the parties are unable to resolve by negotiation, but that may be resolved through mediation. To facilitate the resolution of any dispute that may arise between you and us, we agree that before commencing any legal proceeding against the other party, the dispute will first be submitted to non-binding mediation (the “Mediation”) in St. Louis County, Missouri, unless the parties mutually agree to another location. The Mediation shall be conducted under the then current Center for Public Resources (“CPR”) Procedure for Resolution of Franchise Disputes (the “CPR Mediation Rules”) except to the extent the CPR Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. You and we shall select the mediator from the CPR Panel of Neutrals (unless the parties mutually agree to the selection of another mediator). If the parties cannot agree on the selection of a mediator, CPR shall make the selection. The cost of the mediation, including the mediator’s fee and expenses, shall be split equally between you and us. All negotiations and mediation proceedings (including all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or

arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose.

16. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS. Except as expressly provided to the contrary, each section, paragraph, term and provision of this Agreement, and any portion thereof, is considered severable. To the extent that any part of this Agreement is deemed unenforceable by virtue of its scope in terms of area, time or business activity prohibited, but could be enforceable by reducing any or all provisions, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of the Term of this Agreement or refusal to renew this Agreement than is required in this Agreement, or the taking of some other action not required in this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by the law or rule shall be substituted for the comparable provisions.

B. ENTIRE AGREEMENT. The terms contained herein and in the preambles and exhibits hereto constitute the entire agreement between the parties regarding the subject matter herein, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein; provided however, that nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that was furnished to you in connection with the offer to operate the Franchised Business. No amendment to this Agreement is binding unless executed in writing by both parties.

C. NO WAIVER. Neither our waiver of a breach or default by you, nor our delay or failure to exercise any right upon your breach or default, nor our acceptance of any payment from you, will be deemed a waiver, nor will it impair our rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent our assertion of other defaults or breaches. We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular Bubble Bus Business, but the waiver in favor of any other franchisee or Bubble Bus Business will not prevent us from enforcing the requirements against you, all other franchisees and all other Bubble Bus Businesses.

D. OBLIGATIONS ABSOLUTE. You agree that your obligations to make any payments as specified in this Agreement, and any other agreement entered into with us or any of our Affiliates with respect to the Franchised Business, and the rights of us and our Affiliates to receive such payments are absolute and unconditional and are not subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims that you have or may have against us and any of our Affiliates or against any other person for any reason whatsoever.

E. COSTS AND ATTORNEYS' FEES. If a claim for amounts owed by you to us or our Affiliates is asserted, or if we are required to enforce or defend this Agreement, whether as a result of your breach or otherwise, in any legal proceeding, you must reimburse us for our costs and expenses, including reasonable accounting and attorneys' fees.

F. DAY-TO-DAY CONTROL. You have the sole right and responsibility for the manner and means by which the day-to-day operation of the Franchised Business is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights

reserved to us, your rights and responsibilities include the employment, supervision, setting the conditions of employment and discharge for employees at the Franchised Business, daily maintenance, safety concerns, and the achievement of conformity with the System, notwithstanding anything contained herein or in the Manual to the contrary. We expressly disclaim any responsibility or undertaking to ensure your compliance with the satisfactory and legal operation of the Franchised Business, and we will not in any way be liable to you or any third parties for your failure to comply with any of the terms of this Agreement or your failure to comply with any of our standards or suggestions, it being the understanding of the parties that you and you alone are responsible for the day-to-day operations of the Franchised Business.

G. GOVERNING LAW/CONSENT TO JURISDICTION. You acknowledge that this Agreement was accepted in the State of Missouri. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our principal offices in Missouri, where our decision-making authority is vested and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of Missouri without regard to principles of conflicts of law. If, however any provision of this Agreement would not be enforceable under the laws of Missouri, and if the Protected Territory is located outside of Missouri and the provision would be enforceable under the laws of the state in which the Protected Territory is located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where the Protected Territory is located. We may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction in the State of Missouri, and you and each guarantor of this Agreement irrevocably submits to the jurisdiction of these courts and waive any objection to the application of Missouri law or to the jurisdiction or venue in these Missouri courts. If you institute any action arising out of or relating to this Agreement, that action must be brought in the Circuit Court of the County of St. Louis, MO, unless that court will not accept jurisdiction over the case. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in Exhibit III. We will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

H. BINDING EFFECT. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both you and us.

I. REPRESENTATIVE CAPACITY. In all of their dealings with you, our officers, directors, employees and agents act only in their representative capacity for us, and not in any individual capacity or on behalf of us or our Affiliates or agents.

J. TIMING. Time is of the essence of this Agreement. It will be a material breach of this Agreement for you to fail to perform any of your obligation within the time required or permitted by this Agreement.

K. APPROVALS. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing and signed by us. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

L. CUMULATIVE RIGHTS AND REMEDIES. In addition to any other remedies in law or in equity to which it may be entitled, we will be entitled, without bond, to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement, in the event you actually or anticipatorily breach this Agreement. If we incur attorneys' fees or other expenses in seeking enforcement of this Agreement, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' fees). No right or remedy conferred upon us is intended to be exclusive, and every right or remedy granted in this Agreement will be cumulative and in addition to any other rights or remedies available under this Agreement, or otherwise. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

M. RECEIPT OF THE FDD. You acknowledge receipt of our franchise disclosure document along with this Agreement, at least 14 days before your execution of this Agreement or any payment by you to us. If any unilateral modifications have been made to this Agreement, you acknowledge that you have had at least 7 days to review them.

N. CONSTRUCTION. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of the sections or paragraphs. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If you are comprised of 2 or more persons, the obligations and liabilities to us of each of these persons will be joint and several. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement. This Agreement is executed in multiple copies, each of which is deemed an original.

17. NOTICES AND PAYMENTS. All notices required under this Agreement will be in writing and will be given: (i) if hand delivered, on the day of delivery; (ii) 3 business days after placement in the United States Mail by registered or certified mail, postage prepaid; or (iii) the day after placement with a courier guaranteeing overnight delivery, in each case addressed to the address listed on the signature page of this Agreement or at such other address as either party will specify in a notice to the other party.

18. YOUR WARRANTIES AND REPRESENTATIONS.

A. You and your guarantors have been advised to make an independent investigation of our operations. We have not and do not represent that you can expect to attain a specific level of sales, profits, or earnings. You and your guarantors have been advised to obtain independent professional and legal advice regarding this franchise. You and your guarantors understand that you and they may sustain losses as a result of the operation or the closing of the Franchised Business. You and your guarantors understand that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree on your skills, abilities, initiative and hard work.

B. You and your guarantors represent and warrant that the execution, delivery and performance of this Agreement by you, and the Guaranty and Assumption of Obligations by the guarantors, do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity.

C. Under applicable U.S. Law, including executive order 1224, signed on September 23, 2001 (the "Order"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism as defined in the Order. Accordingly, you do not and hereafter will not engage in any terrorist activity. In addition, you are not affiliated with and do not support any individual or entity engaged in, contemplating or supporting terrorist activity. You are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any

individual or entity engaged in, contemplating or supporting terrorist activity, or to otherwise support or further any terrorist activity.

19. CAVEAT.

THE SUCCESS OF THE FRANCHISED BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. WE DO NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE FRANCHISED BUSINESS, AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATION OR WARRANTY ON OUR BEHALF. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS ATTACHED TO THIS AGREEMENT AS EXHIBIT IV.

YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT YOU A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION. YOU ACKNOWLEDGE THAT UNLESS AND UNTIL WE SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, YOU ARE NOT A FRANCHISEE OF OURS AND YOU MAY NOT RELY UPON BECOMING A FRANCHISEE OF OURS.

20. LIMITATION OF LEGAL ACTIONS.

A. IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.

B. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

C. ANY DISAGREEMENT BETWEEN YOU AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION, AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

D. YOU WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN 1 YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

21. NON-LIABILITY OF OUR AFFILIATES.

We are the only company obligated to you under this Agreement. You may not look to or any other Affiliate of us, or related companies, other business entities or individuals for performance of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

FRANCHISOR:
Bubble Bus Franchise LLC,
a Missouri corporation

FRANCHISEE:
(If FRANCHISEE is a corporation or limited
liability company)

Name of corporation or limited liability
company

By: _____
John V. Reider, President

By: _____, _____

Address: 7244 Devonshire Ave.
St. Louis, MO 63119

(If FRANCHISEE is an individual owner,
FRANCHISEE must sign below; if a
partnership, all partners must sign below)

Franchisee

Franchisee

Address: _____

OWNERS' ACKNOWLEDGEMENT

Each following party is one of your owners. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner of yours mentioned in this Agreement.

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (the "Agreement") by BUBBLE BUS FRANCHISE LLC (the "Franchisor"), and _____ a _____ ("Franchisee"), each of the undersigned ("Guarantor") personally and unconditionally (a) guarantees to Franchisor, and its affiliates, successors and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee must punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Each undersigned agrees to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including but not limited to, the restrictive covenants, including non-disclosure, non-solicitation and non-competition provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks, indemnification, consequences of termination, expiration or Transfer provisions to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned shall survive any expiration or termination of the Term of the Agreement or this Guaranty and Assumption of Obligations.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this guaranty is joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) liability is not contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) liability is not diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty and Assumption of Obligations, which is continuing and irrevocable during the term of the Agreement.

This Guaranty and Assumption of Obligations will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this Guaranty and Assumption of Obligations nor any remedy for enforcement is impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor waives the defense of the statute of limitations in any action or for the collection of any indebtedness or the performance of any obligation guaranteed; and

Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of amounts due pursuant to this Guaranty and Assumption of Obligations or any negotiations relative to the obligations guaranteed or in enforcing this Guaranty and Assumption of Obligations against Guarantor.

Further, the undersigned also hereby consents to the applicability of the venue, governing law and jurisdiction provision in the Agreement to this Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed.

Print Name _____

Signature _____

Date _____

Address: _____

Print Name _____

Signature _____

Date _____

Address: _____

EXHIBIT I
TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

The Protected Territory is as follows:

EXHIBIT II

IRREVOCABLE POWER OF ATTORNEY

That _____ (“FRANCHISEE”) does hereby irrevocably constitute and appoint BUBBLE BUS FRANCHISE LLC (“BBF”), FRANCHISEE’s true and lawful attorney-in-fact and agent for FRANCHISEE and in FRANCHISEE’s name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of BBF, shall be necessary or advisable for the sole purpose of assigning to BBF all of FRANCHISEE’s right, title and interest in and to any and all telephone numbers used in connection with the Franchised Business and all related Yellow Pages, White Pages and other business listings, including, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to FRANCHISEE, and to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record, and file all such agreements, certificates, instruments and documents as, in the sole discretion of BBF, shall be necessary or advisable for the sole purpose of assigning to BBF all of FRANCHISEE’s right, title and interest in and to any Internet and website name pages, domain name listings, and registrations that contain the Marks, or any of them, in whole or in part, hereby granting unto BBF full power and authority to do and perform any and all acts and things which, in the sole discretion of BBF, are necessary or advisable to be done as fully to all intents and purposes as FRANCHISEE might or could itself do, and hereby ratifying and confirming all that BBF may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether FRANCHISEE has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with BBF shall be required to ascertain the authority of BBF, nor be responsible in any way for the proper application of funds or property paid or delivered to BBF. Any person, firm or corporation dealing with BBF shall be fully protected in acting and relying upon a certificate of BBF that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and FRANCHISEE shall not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of FRANCHISEE by BBF shall be deemed to include such a certificate on the part of BBF, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate 2 years following the expiration or termination of that certain Franchise Agreement dated of even date herewith by and between BBF and FRANCHISEE. Such termination, however, shall not affect the validity of any act or deed that BBF may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest and such Power of Attorney shall not be affected by the subsequent disability or incapacity of the principal.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Irrevocable Power of Attorney as of the ____ day of _____, 20__.

FRANCHISEE:

By:_____

Name:_____

Title:_____

THE STATE OF _____)

)

COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public

My Commission Expires:

**EXHIBIT III
TO THE FRANCHISE AGREEMENT**

**MULTI-STATE AMENDMENT
TO FRANCHISE AGREEMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA,
WA, WI)**

This Amendment pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where the SOP, because applicable jurisdictional requirements are not met, does not subject the parties to the provisions of the SOP. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. The following language is added immediately before the signature block of the Franchise Agreement:

"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."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____

Its: _____

Date of signature: _____

By: _____

Its: _____

Date of signature: _____

EXHIBIT III
TO THE FRANCHISE AGREEMENT
ILLINOIS STATE LAW ADDENDUM

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain Bubble Bus Franchise Agreement dated _____, ____ that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement.

2. Illinois law governs the agreements between the parties to this franchise.

3. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

4. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's financial status.

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

Franchisor:

Franchisee:

BUBBLE BUS FRANCHISE LLC

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

**EXHIBIT III
TO THE FRANCHISE AGREEMENT**

NEW YORK STATE LAW ADDENDUM

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain Bubble Bus Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the franchise occurred in New York.

2. The following is added as a new Section 13.D of the Franchise Agreement:

“Franchisee may terminate this Agreement upon any grounds available at law.”

3. The following is added to Section 16.G of the Franchise Agreement:

“This section and the foregoing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder.”

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

Franchisor:

Franchisee:

BUBBLE BUS FRANCHISE LLC

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT IV
TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, BUBBLE BUS FRANCHISE LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the operation of a Bubble Bus Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit and schedule attached to it? Yes ____ No ____
2. Have you received and personally reviewed the Franchisor’s Franchise Disclosure Document (the “FDD”) that Franchisor provided to you? Yes ____ No ____
3. Did you sign a receipt for the FDD indicating the date you received it? Yes ____ No ____
4. Date on which you received the FDD and related Exhibits explaining the Bubble Bus Franchise._____, 20____.
(month, day)
5. Date on which you received a completed copy, other than signatures, of the Franchise Agreement.
_____, 20____.
(month, day)
6. Date on which you signed the Franchise Agreement. _____, 20____
(month, day)
7. Name of salesperson(s) handling this sale for the Franchisor or any persons associated with the Franchisor with whom you had significant contact with throughout the sales process (such as assisting you in completing forms or applications or engaging in ongoing or substantial conversation with you).

8. Were you given the opportunity to discuss the benefits and risks of operating a Bubble Bus franchise with an attorney, accountant or other professional advisor, and do you understand those risks? Yes ____ No ____
9. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors? Yes ____ No ____
10. Do you agree that no employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn or that any of Franchisor’s franchisees or company-owned or affiliate-owned businesses earn in operating the business other than what is discussed in Item 19 of the FDD? Yes ____ No ____

11. Do you agree that no employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating the business? Yes ____ No ____
12. Do you agree that no employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD? Yes ____ No ____
13. Do you understand that the Franchisor is not giving any legal or insurance advice regarding the operation and structure, etc. of the business and you are relying on your own independent counsel with respect to legal and insurance matters? Yes ____ No ____
14. Do you understand that the Franchise Agreement and its attachments, if applicable contain the entire agreement between the Franchisor and you concerning the Bubble Bus franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or Development Agreement will not be binding? Yes ____ No ____
15. Do you understand that the Franchisor is relying on your answers to the questions in this questionnaire? Yes ____ No ____

If you answered "No" to any question above, please explain your response(s) below:

* * *

Please understand that your responses to these questions are important to the Franchisor and that it will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You are also representing that you have reviewed all of these questions and the answers with the other owners of the business and any of your representatives who had discussions with the Franchisor or any of its officers, agents, or employees. The responses from those people are also included by you above.

Dated on _____, 2022.

FRANCHISE APPLICANT

Name: _____

Signature: _____

EXHIBIT B
MULTI-UNIT DEVELOPMENT AGREEMENT

**BUBBLE BUS FRANCHISE LLC
MULTI-UNIT DEVELOPMENT AGREEMENT**

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MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT, made on this ____ day of _____, 20____, by and between **BUBBLE BUS FRANCHISE LLC**, a Missouri limited liability company (hereinafter “FRANCHISOR”), and _____, a _____ (hereinafter “MULTI-UNIT DEVELOPER”).

WHEREAS, FRANCHISOR is engaged in the business of franchising Bubble Bus® Businesses (under the Marks and Systems as more fully described in the Franchise Agreement, which is attached hereto and incorporated by reference hereto as Attachment A (the “Franchise Agreement”); and

WHEREAS, MULTI-UNIT DEVELOPER is aware of the benefit derived from being identified with and franchised by FRANCHISOR in order to utilize the Marks and System more fully described in said Franchise Agreement; and

WHEREAS, MULTI-UNIT DEVELOPER has on this date executed a Franchise Agreement pertaining to the first Bubble Bus Business (hereinafter “First Unit”), which MULTI-UNIT DEVELOPER agrees to open within the time specified in the Franchise Agreement; and

WHEREAS, MULTI-UNIT DEVELOPER desires to obtain Multi-Unit Development rights to establish and operate a minimum of _____ (__) additional Bubble Bus Business franchises (“Subsequent Units”) from FRANCHISOR within a specific geographical area (hereinafter “Development Territory”) and in accordance with a specific time schedule as set forth herein (“Development Schedule”); and

WHEREAS, MULTI-UNIT DEVELOPER represents that it has sufficient financial capabilities and expertise to properly develop, establish and operate the proposed franchise units contemplated by this Multi-Unit Development Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

I. TERRITORIAL EXCLUSIVITY.

A. **Development Territory.** In accordance with and subject to the terms and conditions as hereinafter set forth in this Agreement, FRANCHISOR hereby grants to the MULTI-UNIT DEVELOPER and MULTI-UNIT DEVELOPER accepts the exclusive right (“Multi-Unit Development Rights”), during the term hereof, to establish and operate franchise units of Bubble Bus Businesses (each referred to as a “Unit”) in the Development Territory which is set forth as follows:

(the “Development Territory”). So long as MULTI-UNIT DEVELOPER is not in default under this Agreement or any other agreement with FRANCHISOR or its affiliates, FRANCHISOR shall not operate or grant a franchise to any other person to operate a Bubble Bus Business within the Development Territory. Until the termination or expiration of the term of this Agreement or the transfer of this Agreement, MULTI-UNIT DEVELOPER will retain these rights so long as MULTI-UNIT DEVELOPER complies with the Development Schedule (as defined below). If MULTI-UNIT DEVELOPER fails to meet any of its obligations under this Agreement, including but not limited to the Development Schedule, or breaches any Franchise Agreement executed by MULTI-UNIT DEVELOPER and FRANCHISOR, FRANCHISOR has the right to terminate this Agreement along with MULTI-UNIT DEVELOPER’S right to develop Bubble Bus Business franchises within the Development Territory, however this will not terminate any rights granted under the individual Franchise Agreements in which

MULTI-UNIT DEVELOPER is in compliance. After the expiration or termination of the term of this Agreement, FRANCHISOR may own, operate, franchise or license others to operate additional Units anywhere, without restriction including within the Development Territory, except for within any Protected Territory under any Franchise Agreement(s) which remain in effect.

B. **Rights Retained.** FRANCHISOR and its affiliates retain all other rights, without compensating MULTI-UNIT DEVELOPER, including:

1. (i) the right to own or operate, or license others to own or operate, Bubble Bus Businesses immediately adjacent to Development Territory or anywhere outside of the Development Territory; (ii) the right to operate or license others the right to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of the Development Territory; (iii) the right to operate or license others to operate businesses that are not the same as a Bubble Bus Business under the Marks in any location, both inside or outside of the Development Territory; and (iv) the right to offer any products or services (including the products and services offered at Bubble Bus Businesses) through other channels of distribution (including the Internet, print catalogues and direct marketing media) both inside and outside of the Development Territory. FRANCHISOR is not required to pay MULTI-UNIT DEVELOPER if FRANCHISOR exercises any of the rights specified above inside the Development Territory.

2. The right, now or in the future, to purchase, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses under the Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these businesses (which you acknowledges may be within the Development Territory).

3. The right to sell ourselves, our assets, the Marks and/or the System to a third party; go public; engage in a private placement of some or all of our securities; merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. If we assign our rights in this Agreement, we do not need to remain in this type of business or to offer or sell any products or services to you.

II. MULTI-UNIT DEVELOPER'S DEVELOPMENT OBLIGATIONS.

A. **Development Schedule.** MULTI-UNIT DEVELOPER will equip, open and operate within the Development Territory the number of Units as are described in Section IV.A below, within the time periods set forth in Attachment B attached to this Agreement ("Development Schedule"). MULTI-UNIT DEVELOPER must, in accordance with the time set forth in the Development Schedule execute the then-current form of the Franchise Agreement; provided, however, the Initial Franchise Fee will be waived. MULTI-UNIT DEVELOPER must open each Unit within the time set forth in the Franchise Agreement for such Unit and as set forth in the Development Schedule. MULTI-UNIT DEVELOPER will at all times faithfully and diligently comply with the obligations imposed by this Agreement and under the Franchise Agreement for each Unit.

B. **Time of Essence/Force Majeure.** MULTI-UNIT DEVELOPER'S timely performance pursuant to this Agreement and the Franchise Agreement for each Unit is of material importance and is considered to be of the essence. Should MULTI-UNIT DEVELOPER be unable to meet the Development Schedule solely as the result of Force Majeure, including, but not limited to strikes, material shortages, fires, floods, earthquakes, and other acts of God, or as a result of any legal disability of FRANCHISOR to deliver a Franchise Disclosure Document), which result in the inability of MULTI-

UNIT DEVELOPER to operate Units in the Development Territory, and which MULTI-UNIT DEVELOPER could not by the exercise of due diligence have avoided, the Development Schedule shall be extended by the amount of time during which such Force Majeure shall exist.

III. TERM.

This term of this Agreement shall commence upon the date of its full execution and payment by MULTI-UNIT DEVELOPER of the amount due under Section IV.A. below. Unless terminated earlier in accordance with the terms of this Agreement, the term of this Agreement and all Multi-Unit Development Rights granted hereunder shall expire on the earlier of: (i) the opening of the last Unit listed in the Development Schedule set forth in Attachment B or (ii) the expiration date set forth in Attachment B. There is no right to renew the term of this Agreement.

IV. MULTI-UNIT DEVELOPMENT FEE.

A. **Multi-Unit Development Fee.** In exchange for the Multi-Unit Development Rights granted under this Agreement, MULTI-UNIT DEVELOPER shall pay to FRANCHISOR upon execution of this Agreement a fee ("Development Fee") equal to (i) \$18,000 for the first Bubble Bus Business and (ii) \$10,000 for each subsequent Bubble Bus Businesses you agree to develop. The Multi-Unit Development Fee is fully earned when paid and it is not refundable under any circumstances.

B. **Refunds.** MULTI-UNIT DEVELOPER recognizes that FRANCHISOR has incurred administrative and other expenses in relation to this Agreement, and that development opportunities have been lost or curtailed as a result of the exclusivity granted herein. Therefore, no part of the Development Fee is refundable, even if MULTI-UNIT DEVELOPER fails to proceed with the development of Units pursuant to this Agreement.

V. FRANCHISE AGREEMENT.

A. **Execution of the Franchise Agreement.** Within the times specified in Development Schedule set forth in Attachment B, MULTI-UNIT DEVELOPER must execute FRANCHISOR'S then-current standard form Franchise Agreement for each Subsequent Unit; provided, however, the Initial Franchise Fee shall be waived; the Royalty Fee and Advertising Fee will be at the same rate as in the standard Franchise Agreement at the time this Agreement is signed. Notwithstanding the foregoing, the Royalty Fee for the second and subsequent Units will not be waived for the first 6 months and will be \$750 per quarter for the entire 1st year of the Franchise Agreement. Notwithstanding anything contained herein to the contrary, MULTI-UNIT DEVELOPER will not be required to sign a Franchise Agreement until such time as FRANCHISOR has complied with any applicable waiting periods prescribed by law.

B. **Compliance.** After execution of a Franchise Agreement, MULTI-UNIT DEVELOPER agrees to fully comply with all the terms contained therein, including but not limited to payment of all fees in a timely manner. HOWEVER, MULTI-UNIT DEVELOPER SHALL ACQUIRE NO RIGHTS AS A FRANCHISEE FOR A PARTICULAR UNIT UNTIL A FRANCHISE AGREEMENT IS SIGNED BY MULTI-UNIT DEVELOPER AND FRANCHISOR.

C. **FRANCHISOR'S Discretion.** MULTI-UNIT DEVELOPER acknowledges that all Units must be developed and operated in accordance with FRANCHISOR'S standards. Therefore, MULTI-UNIT DEVELOPER agrees and recognizes that FRANCHISOR may refuse to grant a Franchise Agreement for a Subsequent Unit if FRANCHISOR believes, in its reasonable judgment, that MULTI-UNIT DEVELOPER does not have sufficient financial resources and other ability (including, but not limited to, experience, character, skill, aptitude, attitude, and business acumen sufficient to operate

multiple locations) to properly develop and operate the proposed Subsequent Unit. FRANCHISOR shall take into account, among other things, MULTI-UNIT DEVELOPER'S past performance and financial success of MULTI-UNIT DEVELOPER'S then existing franchised Units. In order to assist FRANCHISOR in making such a determination, MULTI-UNIT DEVELOPER shall provide FRANCHISOR, upon request, such financial and other information regarding its existing Unit(s) and the proposed Subsequent Unit. FRANCHISOR'S approval, however, shall not be deemed a warranty of MULTI-UNIT DEVELOPER'S financial or other ability to develop and operate the proposed Subsequent Unit(s).

D. **Marks.** MULTI-UNIT DEVELOPER acknowledges that FRANCHISOR is not granting MULTI-UNIT DEVELOPER any right to use the Marks under this Agreement. Any rights MULTI-UNIT DEVELOPER receives regarding the use of the Marks arises from the Franchise Agreement MULTI-UNIT DEVELOPER signed or will sign and MULTI-UNIT DEVELOPER may only use the Marks pursuant to the terms of the Franchise Agreement.

VI. ASSIGNABILITY.

A. **BY MULTI-UNIT DEVELOPER.** The Multi-Unit Development Rights granted hereunder are personal to MULTI-UNIT DEVELOPER and cannot be sold, assigned, transferred or encumbered, in whole or in part, unless the following conditions have been met. Any transfer of ownership interest in MULTI-UNIT DEVELOPER, which together with all prior changes constitute a change of 20% or more of the ownership of the MULTI-UNIT DEVELOPER, or transfer of any or all rights under this Agreement is subject to the following conditions:

(a) MULTI-UNIT DEVELOPER must have substantially performed its obligations and duties under this Agreement and each Franchise Agreement which it has executed; and

(b) MULTI-UNIT DEVELOPER must pay all amounts it owes to FRANCHISOR and FRANCHISOR'S affiliates under this and all other agreement with FRANCHISOR; and

(c) MULTI-UNIT DEVELOPER must pay a non-refundable transfer fee in the amount of \$5,000 for each developed Unit and \$1,000 for each undeveloped Unit; and

(d) MULTI-UNIT DEVELOPER, and all officers, directors, shareholders (as well as guarantors under this Agreement) will execute a general release of any and all claims which MULTI-UNIT DEVELOPER has against FRANCHISOR, FRANCHISOR'S affiliates, and their respective officers, directors, employees and agents arising out of the franchise relationship, in the form approved by FRANCHISOR; and

(e) Transferee meets the established standards for new Multi-Unit Developers (including, but not limited to, experience, character, skill, aptitude, business ability, and financial capability) is of good moral character, has a good credit rating, sufficient financial resources to operate the business and competent qualifications; and

(f) Transferee and/or transferee's managers shall successfully complete and pass the training course then in effect for franchisees, or otherwise demonstrate to FRANCHISOR'S satisfaction, sufficient ability to operate and manage the Units and the Multi-Unit Development Rights and perform the obligations of this Agreement and the Franchise Agreements; and

(g) Transferee assumes all obligations and liabilities of MULTI-UNIT DEVELOPER (however, such assumption shall not relieve MULTI-UNIT DEVELOPER of any such obligations and liabilities), and the shareholders, members and partners of the transferee execute a guarantee; and

(h) The purchase price or terms of the sale are, in FRANCHISOR'S judgment, economically feasible to the proposed transferee (however, approval by FRANCHISOR is no assurance that the sale is on economically reasonable terms); and

(i) FRANCHISOR may, in its absolute discretion, require that the transfer include the transfer of all the undeveloped Subsequent Units under this Agreement.

B. **By FRANCHISOR.** This Agreement is fully assignable, in whole or in part, by FRANCHISOR without the MULTI-UNIT DEVELOPER'S consent. Upon such assignment, FRANCHISOR shall no longer be liable under this Agreement. An assignment by FRANCHISOR shall inure to the benefit of FRANCHISOR'S successors and assigns.

C. **No Subfranchising by MULTI-UNIT DEVELOPER.** MULTI-UNIT DEVELOPER shall not offer, sell, or negotiate the sale of a Bubble Bus Business to any third party, either in MULTI-UNIT DEVELOPER'S own name or in the name and on behalf of FRANCHISOR, or otherwise subfranchise, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting MULTI-UNIT DEVELOPER the right to do so.

D. **Failure to Meet Obligations.** IF MULTI-UNIT DEVELOPER FAILS TO COMPLETE ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO MEETING THE DEADLINES FOR SIGNING EACH FRANCHISE AGREEMENT AND COMMENCING OPERATIONS OF EACH UNIT, MULTI-UNIT DEVELOPER SHALL HAVE NO FURTHER RIGHTS IN THE DEVELOPMENT TERRITORY OR TO A FRANCHISE RELATING TO SUCH DEVELOPMENT TERRITORY, AND FRANCHISOR WILL HAVE THE RIGHT TO TERMINATE THE TERM OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, MULTI-UNIT DEVELOPER SHALL RETAIN THE RIGHTS TO ANY FRANCHISE AGREEMENT TO WHICH IT IS A PARTY, PROVIDED THAT THE MULTI-UNIT DEVELOPER IS NOT IN DEFAULT UNDER THE APPLICABLE FRANCHISE AGREEMENT.

VII. RESTRICTIVE COVENANTS.

A. **Non-Disclosure of Confidential Information.** For purposes of this Agreement, "Confidential Information" means all trade secrets, equipment and material, methods, techniques, formulas, contracts, customer lists, customer information, suppliers, supplier lists, pricing, marketing, computer programs, products, skills, performance specifications, technical and financial information and results, and other information and know-how relating to the System, or relating to or useful in FRANCHISOR'S business, any Bubble Bus Businesses opened or operated by MULTI-UNIT DEVELOPER pursuant to a Franchise Agreement, or other Bubble Bus Businesses, including FRANCHISOR'S Confidential Operating Manual (as hereinafter defined). In consideration of FRANCHISOR granting MULTI-UNIT DEVELOPER the right hereunder to develop the Development Territory, and in recognition by MULTI-UNIT DEVELOPER that the Confidential Information constitutes valuable and unique assets owned by or in the custody of FRANCHISOR, MULTI-UNIT DEVELOPER hereby agrees and covenants that MULTI-UNIT DEVELOPER will not use or disclose the Confidential Information or any part of the Confidential Information in any manner or for any purpose other than in the performance of MULTI-UNIT DEVELOPER'S obligations pursuant to this Agreement,

now and in the future. MULTI-UNIT DEVELOPER must hold all the Confidential Information in the strictest confidence and not use it, reproduce it, distribute it or disclose it to anyone without FRANCHISOR'S prior written consent or as required by law during the term of this Agreement and thereafter. MULTI-UNIT DEVELOPER agrees that the disclosure or use by one of MULTI-UNIT DEVELOPER'S partners, shareholders, members or owners, or any spouse or member of the immediate family of the foregoing, of any Confidential Information other than pursuant to this Agreement, shall be deemed a breach and default by MULTI-UNIT DEVELOPER of this Agreement. MULTI-UNIT DEVELOPER further acknowledges that it would be an unfair method of competition for MULTI-UNIT DEVELOPER or such partner, shareholder, member, owner, spouse or family member to use, duplicate or disclose any of the Confidential Information or knowledge, know-how or expertise received from FRANCHISOR for any use other than in accordance with this Agreement.

B. Competing Business During the Term of This Agreement. MULTI-UNIT DEVELOPER acknowledges the uniqueness of the System and that we are making FRANCHISOR'S knowledge, know-how and expertise available to MULTI-UNIT DEVELOPER for the purpose of developing the Development Territory and opening Bubble Bus® Businesses strictly and solely within the Development Territory. MULTI-UNIT DEVELOPER agrees that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise MULTI-UNIT DEVELOPER receives from FRANCHISOR or FRANCHISOR'S affiliates for any reason other than to develop the Development Territory and open Bubble Bus Businesses under this Agreement. MULTI-UNIT DEVELOPER further recognizes the importance of devoting substantial time and energy to develop the Development Territory. Therefore, MULTI-UNIT DEVELOPER warrants that during the term of this Agreement, unless MULTI-UNIT DEVELOPER has FRANCHISOR'S prior written consent, neither MULTI-UNIT DEVELOPER nor any of MULTI-UNIT DEVELOPER'S owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of FRANCHISORs (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). For purposes of this Agreement, a "Competitive Business" means any business that engages in, owns, invests in, manages or controls any business showcasing bubbles at events.

C. Competing Business After the Term of this Agreement. For 2 years after a transfer of this Agreement pursuant to Section VII.A above, the expiration or termination of the term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither MULTI-UNIT DEVELOPER nor any of MULTI-UNIT DEVELOPER'S owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from FRANCHISOR to MULTI-UNIT DEVELOPER or MULTI-UNIT DEVELOPER'S owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will be the MULTI-UNIT DEVELOPER'S Development Territory and the following: (a) the Development Territory of any other Multi-Unit Developers or franchisees of FRANCHISOR; and (b) the metropolitan statistical area (MSA) in which the FRANCHISOR or any of its Affiliates operate one or more Bubble Bus Businesses.

D. Non-Solicitation. For a period of 2 years after a transfer of this Agreement pursuant to Section VII.A above, or the expiration or termination of the term of this Agreement, whether for any reason or no reason, voluntary or involuntary, or for cause or without cause, MULTI-UNIT DEVELOPER will not, directly or indirectly, solicit or accept any business from, and will not directly or indirectly contact any existing customers or identified prospective customers with whom MULTI-UNIT DEVELOPER or MULTI-UNIT DEVELOPER'S employees or other agents have had direct or indirect

contact or about whom MULTI-UNIT DEVELOPER or MULTI-UNIT DEVELOPER'S employees or other agents have learned Confidential Information by virtue of the operation of the Bubble Bus Business ("Customers"), other than Customers with whom MULTI-UNIT DEVELOPER have had no contact within the 2 years preceding such termination, expiration or transfer of this Agreement pursuant to Section VII.A above.

E. **Reasonableness of Restrictions.** MULTI-UNIT DEVELOPER and the guarantors of this Agreement acknowledge and confirm that the length of the term and geographical restrictions contained in this Section VII are fair and reasonable and not the result of overreaching, duress or coercion of any kind. MULTI-UNIT DEVELOPER acknowledges and confirms that MULTI-UNIT DEVELOPER'S and their full, uninhibited and faithful observance of each of the covenants contained in Section VII will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Section VII will not impair MULTI-UNIT DEVELOPER'S or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to MULTI-UNIT DEVELOPER or them, or otherwise to obtain income required for MULTI-UNIT DEVELOPER'S or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

MULTI-UNIT DEVELOPER acknowledges that to disregard the provisions of this Section VII would effectively foreclose FRANCHISOR from selling other franchises and MULTI-UNIT DEVELOPER could be unjustly enriched and unfairly derive benefit from the goodwill of and training MULTI-UNIT DEVELOPER receive from FRANCHISOR. Moreover, FRANCHISOR'S franchisees and the Bubble Bus Businesses could be severely disadvantaged if MULTI-UNIT DEVELOPER competes against them using the Marks or other Confidential Information. We intend to restrict MULTI-UNIT DEVELOPER'S activities under Section VII of this Agreement only to the extent necessary for the protection of FRANCHISOR, FRANCHISOR'S affiliates' and FRANCHISOR'S franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent, and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction will determine the business, time or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then the court so holding will reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in Section VII without MULTI-UNIT DEVELOPER'S consent, effective immediately upon receipt by MULTI-UNIT DEVELOPER of FRANCHISOR'S written notice; and MULTI-UNIT DEVELOPER will comply with any reduced covenant. In addition to any other remedies available at law or equity, we will have the right to injunctive relief without the necessity of posting bond for MULTI-UNIT DEVELOPER'S violation or threatened violation of any covenant described in Section VII. The terms of this non-compete are assignable by FRANCHISOR and will inure to FRANCHISOR'S benefit, as well as FRANCHISOR'S successors and assigns. In the event of any assignment, sale, merger or change in FRANCHISOR'S ownership or structure, the resulting entity will step into FRANCHISOR'S place, without any additional consent of or notice to MULTI-UNIT DEVELOPER, as if the terms "FRANCHISOR" were defined in this Agreement to include such entity.

VIII. DEFAULT AND TERMINATION.

A. **Default by MULTI-UNIT DEVELOPER.** The term of this Agreement may be terminated by FRANCHISOR for cause without notice or opportunity to cure, except as may be required by law, in the event of any material breach by MULTI-UNIT DEVELOPER of this Agreement. Material breach, as used herein, shall specifically include, but is not limited to, the following:

- (a) Any attempt by MULTI-UNIT DEVELOPER to sell, assign, transfer or encumber in whole or in part any or all rights and obligations under this Agreement, in violation of the

terms of this Agreement, or without the written consents required, pursuant to this Agreement;

(b) Failure of MULTI-UNIT DEVELOPER to comply with the Development Schedule;

(c) bankruptcy, insolvency, or general assignment for benefit of creditors of the MULTI-UNIT DEVELOPER;

(d) Any material breach by MULTI-UNIT DEVELOPER or its affiliates of any franchise agreement or any other agreement between MULTI-UNIT DEVELOPER or its affiliate and FRANCHISOR or its affiliates which is not cured within the applicable cure period in that agreement; or

(e) MULTI-UNIT DEVELOPER or its owners commit or are convicted of a felony, crime or moral turpitude or fraud which FRANCHISOR, in its sole discretion, believes may adversely affect the System or goodwill associated with the Marks.

B. Rights on termination or Expiration. Upon expiration or termination of the term of this Agreement, all of MULTI-UNIT DEVELOPER'S remaining rights to open Subsequent Units shall cease. MULTI-UNIT DEVELOPER shall have no right to establish or operate a Bubble Bus Business for which a Franchise Agreement has not been executed by the MULTI-UNIT DEVELOPER and FRANCHISOR at the time of such termination or expiration. FRANCHISOR shall be entitled to establish, or to license others to establish businesses using the Marks and System within and outside of the Development Territory subject to the terms of any existing, non-terminated Franchise Agreements MULTI-UNIT DEVELOPER or its affiliates have with FRANCHISOR relating to the Protected Territories defined in those Franchise Agreements. A default and termination of the term of this Agreement does not constitute a default and termination under any Franchise Agreement between FRANCHISOR and MULTI-UNIT DEVELOPER or its affiliates.

IX. NO WARRANTY.

MULTI-UNIT DEVELOPER ACKNOWLEDGES THAT NO APPROVALS, CONSENTS, WAIVERS OR CONDITIONS, OR THE LIKE (I.E., CONSENT TO VEHICLE BUILD-OUT, MANAGEMENT, INSURANCE, ETC.) WARRANTS THE SUCCESS OF THE PARTICULAR ITEM SO APPROVED. SUCH APPROVAL MEANS ONLY THAT THE MATTER APPROVED OR CONSENTED TO MEETS FRANCHISOR'S MINIMUM SPECIFICATIONS. MULTI-UNIT DEVELOPER SHOULD OBTAIN INDEPENDENT PROFESSIONAL GUIDANCE AS TO ALL ASPECTS OF ITS BUSINESS OPERATIONS, AND EXPRESSLY ACKNOWLEDGES THAT IT IS NOT IN ANY WAY RELYING ON FRANCHISOR'S APPROVALS, CONSENTS, WAIVERS OR CONDITIONS, OR THE LIKE. FRANCHISOR MAKES NO WARRANTIES OR GUARANTEES UPON WHICH MULTI-UNIT DEVELOPER MAY RELY, AND ASSUMES NO LIABILITY OR OBLIGATION TO MULTI-UNIT DEVELOPER BY GRANTING ANY WAIVER, APPROVAL, OR CONSENT TO MULTI-UNIT DEVELOPER, OR BY REASON OF ANY NEGLECT, DELAY, OR DENIAL OF ANY REQUEST THEREFORE.

X. INDEPENDENT CONTRACTOR/INDEMNIFICATION.

A. **Independent Contractor.** MULTI-UNIT DEVELOPER and FRANCHISOR are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between MULTI-UNIT DEVELOPER and FRANCHISOR. MULTI-UNIT DEVELOPER will conspicuously identify itself in all dealings with the public as an independently owned business. Neither MULTI-UNIT DEVELOPER nor FRANCHISOR will make any agreements or representations in the name of or on behalf of the other that their relationship is other than franchisor and franchisee.

B. **Indemnification.** Under no circumstances will FRANCHISOR be liable for any act, omission, debt or other obligation of MULTI-UNIT DEVELOPER. To the fullest extent permitted by law, MULTI-UNIT DEVELOPER (for itself and its employees, agents, subcontractors, successors and assigns) agrees, at MULTI-UNIT DEVELOPER'S sole cost and expense, to indemnify, defend and hold harmless, and to reimburse FRANCHISOR on demand, and all of the entities related to FRANCHISOR and their respective directors, officers, members, employees agents, managers, partners, attorneys, licensees, affiliates successors and assigns ("Indemnified Parties") for and against any and all damages, losses, liabilities, bodily injury, property damage, obligations, penalties, fines, claims, litigation, demands, defenses, judgments, suit proceedings, administrative orders, consent agreements, costs, disbursements or expenses of any kind or any nature whatsoever, including without limitation, reasonable attorneys' and expert fees and disbursements arising out of or related to or in any way arising out of the acts or omissions of MULTI-UNIT DEVELOPER or its employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns ("Indemnitors") arising out of or related to (i) any act or omission, negligent or otherwise, of the Indemnitors or anyone directly or indirectly employed by them or anyone whose acts they may be liable relative to the business contemplated herein or in any Franchise Agreement; (ii) any breach by the Indemnitors of any term or provision of this Agreement; and (iii) the cost, including, but not limited to reasonable attorney's fees, of enforcing this indemnification provision. The obligations of the Indemnitors are joint and several.

This indemnification shall not be construed to indemnify an Indemnified Party to the extent such indemnification is prohibited by law, including, an indemnification of any Indemnified Party from its own negligence, if prohibited by law. To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party, but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law.

XI. MISCELLANEOUS.

A. **Notices.** All notices hereunder shall be in writing and shall be duly given if hand delivered, three (3) business days after placement in the United States Mail by registered or certified mail, postage prepaid, or the day after placement with a courier guaranteeing overnight delivery, addressed to the address set forth on the signature page of this Agreement or at such other address as either shall have specified at notice to the other party hereunder.

B. **Severability.** If any provision of this Agreement is deemed to be invalid or inoperative for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative, or if it cannot be so modified, then severed, and the remainder of the Agreement shall continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or eliminated.

C. **Non-Waiver.** Neither MULTI-UNIT DEVELOPER'S nor FRANCHISOR'S waiver of a breach or default by the other, nor delay or failure to exercise any right upon breach or default, nor acceptance of any payment, shall be deemed a waiver, nor shall same impair rights for other breaches or defaults of the same or a different kind. The description of any breach of default in any notice shall not

preclude the assertion of other defaults or breaches. FRANCHISOR may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular Multi-Unit Developer, but no such waiver in favor of any other Multi-Unit Developer shall prevent FRANCHISOR from enforcing any such requirements against this MULTI-UNIT DEVELOPER and all other Multi-Unit Developers.

D. **Remedies.** The remedies available to FRANCHISOR are non-exclusive, and nothing stated in this Agreement shall act to prevent FRANCHISOR'S pursuit of any other rights or remedies arising due to termination of the term of this Agreement which may otherwise become available to FRANCHISOR in law or equity. In no event shall FRANCHISOR be liable to MULTI-UNIT DEVELOPER for prospective profits or special, indirect, punitive or consequential damages for any conduct arising out of this Agreement or FRANCHISOR'S relationship with MULTI-UNIT DEVELOPER.

E. **Attorney's Fees.** Should FRANCHISOR commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision hereof, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of FRANCHISOR'S rights or obligations hereunder, then FRANCHISOR shall be reimbursed by MULTI-UNIT DEVELOPER for all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees for the services rendered to FRANCHISOR.

F. **Approval And Guarantees Of Shareholders, Members Or Partners.** If MULTI-UNIT DEVELOPER is a corporation, partnership or limited liability company, all shareholders, members or partners, and their spouses, shall guarantee this Agreement and each Franchise Agreement.

G. **Choice Of Law, Jurisdiction and Venue.** MULTI-UNIT DEVELOPER acknowledges that this Agreement was accepted in the State of Missouri. MULTI-UNIT DEVELOPER acknowledges that it has and will continue to develop a substantial and continuing relationship with the FRANCHISOR at its principal offices in Missouri, where the FRANCHISOR'S decision-making authority is vested, and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of Missouri without regard to the principles of conflicts of law. If, however any provision of this Agreement would not be enforceable under the laws of Missouri, and if the Development Territory is in whole or in part, located outside of Missouri and the provision would be enforceable under the laws of the state in which the Development Territory is located, in whole or in part, then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where the Development Territory is wholly or partially located. FRANCHISOR may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction in the State of Missouri, and MULTI-UNIT DEVELOPER and the guarantors of this Agreement irrevocably submit to their jurisdiction and waive any objection to the application of Missouri law or to the jurisdiction or venue in those Missouri courts. If MULTI-UNIT DEVELOPER institutes any action arising out of or relating to this Agreement, such suit must be brought in the Circuit Court of the County of St. Louis, Missouri, unless said court will not accept jurisdiction over the case.

The provisions of this Agreement which conflict with applicable law shall (only to the extent of such conflict) be ineffective, and in their stead, FRANCHISOR shall comply with applicable law respecting each of said matters. If a state regulator requires an amendment to this Agreement, the amendment is attached hereto in a State Law Addendum as Attachment C. FRANCHISOR shall not, however, be precluded from contesting the validity, enforceability, or applicability of such laws or regulations in any action relating to this Agreement or to its rescission or termination.

H. **Non-Liability of FRANCHISOR'S Affiliates.** FRANCHISOR is the only entity obligated to FRANCHISEE hereunder. FRANCHISEE may not look to any of FRANCHISOR'S affiliates or related companies, other business entities or individuals for performance of this Agreement.

I. **Receipt of the FDD.** MULTI-UNIT DEVELOPER acknowledges receipt of our franchise disclosure document ("FDD") along with this Agreement, at least 14 days before the execution of this Agreement or payment of any money to FRANCHISOR by MULTI-UNIT DEVELOPER. If any unilateral changes have been made to this Agreement, MULTI-UNIT DEVELOPER acknowledges that it has had at least 7 days to review them.

XII. CONSTRUCTION OF LANGUAGE.

The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires; if more than one party or person is referred to as MULTI-UNIT DEVELOPER, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. All the terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number (singular or plural) or any gender (masculine, feminine or neuter) as the context or sense of this Agreement, or any section or clause hereof, may require.

For purposes of this Agreement, the terms "Mark" and "System" shall have the same meanings as are contained for those terms in the Franchise Agreement.

The locative adverbs "herein", "hereunder," "hereto," "hereinafter," and like words wherever the same appear therein, mean and refer to this Agreement in its entirety and not to any specific Paragraph, Section or Subsection hereof unless otherwise expressly designated in context.

XIII. ENTIRE AGREEMENT.

This Agreement, including all Attachments attached hereto, constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes any and all prior agreements; provided however, that nothing in this or any related agreement is intended to disclaim the representations FRANCHISOR made in the Franchise Disclosure Document that was furnished to MULTI-UNIT DEVELOPER. No amendments or modifications to this Agreement shall be binding on either party unless written and fully executed by the parties hereto.

XIV. MEDIATION.

FRANCHISOR and MULTI-UNIT DEVELOPER acknowledge that during the term of this Agreement or thereafter, certain disputes may arise between the parties that the parties are unable to resolve by negotiation, but that may be resolved through mediation. To facilitate the resolution of any dispute that may arise between MULTI-UNIT DEVELOPER and FRANCHISOR, FRANCHISOR and MULTI-UNIT DEVELOPER agree that before commencing any legal proceeding against the other party, the dispute will first be submitted to non-binding mediation (the "Mediation") in St. Louis County, Missouri, unless the parties mutually agree to another location. The Mediation shall be conducted under the then current Center for Public Resources ("CPR") Procedure for Resolution of Franchise Disputes (the "CPR Mediation Rules") except to the extent the CPR Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. MULTI-UNIT DEVELOPER and FRANCHISOR shall select the mediator from the CPR Panel of Neutrals (unless the parties mutually agree to the selection of another mediator). If the parties cannot agree on the selection of a mediator,

CPR shall make the selection. The cost of the mediation, including the mediator's fee and expenses, shall be split equally between MULTI-UNIT DEVELOPER and FRANCHISOR. All negotiations and mediation proceedings (including all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose.

XV. REPRESENTATIONS AND ACKNOWLEDGMENTS/CAVEAT.

A. No person has the authority to bind or obligate FRANCHISOR except an authorized officer of FRANCHISOR by a written document. No representations as to projections, financial performance representations, potential success, future profits, promises, guarantees or warranties of any kind are authorized to be made by FRANCHISOR or its affiliates or representatives.

B. MULTI-UNIT DEVELOPER acknowledges that it has received, read and understand this Agreement and its attachments; that it has had an opportunity to ask FRANCHISOR all questions relating to this Agreement and the system, and that FRANCHISOR has answered all the questions to MULTI-UNIT DEVELOPER'S satisfaction.

C. The success of the business venture contemplated to be undertaken by MULTI-UNIT DEVELOPER is speculative and depends, to a large extent, upon MULTI-UNIT DEVELOPER'S ability and efforts. FRANCHISOR does not make any representation or warranty as to the potential success of this business venture. MULTI-UNIT DEVELOPER represents and acknowledges that it has made an independent investigation of FRANCHISOR and its operations and MULTI-UNIT DEVELOPER acknowledges that it has entered into this Agreement solely in reliance upon such independent investigation.

D. MULTI-UNIT DEVELOPER represents that its signature on and performance of this Agreement does not violate or constitute a breach of the terms of any other agreement or commitment to which MULTI-UNIT DEVELOPER, its guarantors or any of its affiliates are a party.

E. Under applicable U.S. law, including without limitation Executive Order 1224, signed on September 23, 2001 (the "Order"), FRANCHISOR is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism as defined in the Order. Accordingly, MULTI-UNIT DEVELOPER does not, and hereafter will not, engage in any terrorist activity. In addition, MULTI-UNIT DEVELOPER is not affiliated with, and does not support any individual or entity engaged in, contemplating, or supporting, terrorist activity. Finally, MULTI-UNIT DEVELOPER is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

F. MULTI-UNIT DEVELOPER understands and agrees that FRANCHISOR has no obligation to accept MULTI-UNIT DEVELOPER'S application and may refuse to grant Multi-Unit Development Rights for any reason, or no reason, without disclosing the basis for FRANCHISOR's decision. MULTI-UNIT DEVELOPER acknowledges that unless and until it and FRANCHISOR sign this Multi-Unit Development Agreement, MULTI-UNIT DEVELOPER is not a Multi-Unit Developer of FRANCHISOR and may not rely upon becoming a Multi-Unit Developer of FRANCHISOR.

XVI. WAIVER OF JURY TRIAL/EXEMPLARY DAMAGES.

A. Waiver of Jury Trial. FRANCHISOR AND MULTI-UNIT DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AND ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH WAIVER.

B. Waiver of Exemplary Damages. EXCEPT FOR MULTI-UNIT DEVELOPER'S OBLIGATION TO INDEMNIFY FRANCHISOR FOR THIRD-PARTY CLAIMS UNDER SECTION X.B, FRANCHISOR AND MULTI-UNIT DEVELOPER (AND MULTI-UNIT DEVELOPER'S OWNERS) WAIVE TO THE FULLEST EXTENT THE LAW PERMITS ANY RIGHT TO OR CLAIM FOR ANY CONSEQUENTIAL, LOST PROFITS, EXEMPLARY, PUNITIVE, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

FRANCHISOR:

MULTI-UNIT DEVELOPER:

Bubble Bus Franchise LLC

By: _____
John V. Reider, President

By: _____
President

Bubble Bus Franchise LLC
7244 Devonshire Ave.
St. Louis, MO 63119

Address of MULTI-UNIT DEVELOPER:

GUARANTEE

As an inducement to BUBBLE BUS FRANCHISE LLC ("FRANCHISOR") to enter into a Multi-Unit Development Agreement with _____ ("MULTI-UNIT DEVELOPER"), the undersigned Guarantors join in the foregoing Agreement, and are fully obligated as parties hereto. This Guarantee is given as a condition of and in consideration of FRANCHISOR granting MULTI-UNIT DEVELOPER the rights granted in said Multi-Unit Development Agreement.

Guarantors hereby jointly and severally guarantee the performance of all obligations of MULTI-UNIT DEVELOPER and agree to timely perform and observe and be bound by all the terms, covenants and conditions to be performed by MULTI-UNIT DEVELOPER, including without limitation Section VII thereof.

The obligations of Guarantors are direct and may be enforced immediately without FRANCHISOR being required to resort to any other right, remedy or security and this Guarantee shall be enforceable immediately against Guarantors, without the necessity for any suit or proceeding on FRANCHISOR'S part of any kind or nature whatsoever against MULTI-UNIT DEVELOPER, and without the necessity of any notice of non-payment, non-performance or non-observance or the continuance of any such default or of any notice of acceptance of this Guarantee or of FRANCHISOR'S intention to act in reliance herein or of any other notice or demand to which Guarantors might otherwise

be entitled, all of which Guarantors hereby expressly waive.

The validity of this Guarantee and the obligations of Guarantors hereunder shall in no manner be terminated, affected, or impaired by reason of the assertion or the failure to assert by FRANCHISOR against MULTI-UNIT DEVELOPER, of any of the rights or remedies reserved to FRANCHISOR pursuant to the provisions of the Multi-Unit Development Agreement.

This Guarantee shall be absolute, unconditional and irrevocable.

This Guarantee shall be a continuing Guarantee, and (whether or not Guarantors shall have notice or knowledge of any of the following), the liability and obligations of Guarantors hereunder shall be absolute and unconditional irrespective of:

(a) any modification of, or supplement to, or extension or renewal of the Multi-Unit Development Agreement or any assignment, sale, or transfer thereof;

(b) any exercise or non-exercise of any right, power, remedy or privilege under or in respect of the Multi-Unit Development Agreement or this Guarantee or any waiver, consent or approval by FRANCHISOR with respect to any of the covenants, terms, conditions or agreements contained in the Multi-Unit Development Agreement or any indulgences, forbearance or extensions of time for performance or observance allowed to MULTI-UNIT DEVELOPER from time to time, at any time and for any length of time;

(c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition or liquidation or similar proceedings relating to MULTI-UNIT DEVELOPER, or its properties or creditors;

(d) any impairment, modification, change, release or limitation of liability or obligation of MULTI-UNIT DEVELOPER under the Multi-Unit Development Agreement (including, but not limited to, any disaffirmance or abandonment by a trustee of MULTI-UNIT DEVELOPER), resulting from the operation of any present or future provision of the Bankruptcy Reform Act of 1978 or any other similar federal or state statute, or from the decisions of any court; or

(e) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the MULTI-UNIT DEVELOPER in respect of the Multi-Unit Development Agreement or any Guarantor in respect of this Guarantee.

If FRANCHISOR or any of the Affiliates are required to enforce this Guarantee in any judicial proceeding or appeal thereof, the GUARANTORS must reimburse FRANCHISOR and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guarantee.

The undersigned Guarantors also recognize that certain disputes relating to the Multi-Unit Development Agreement may be required to be resolved by arbitration and hereby consent to such arbitration. Further, the undersigned Guarantors also hereby consents to the applicability of the venue, governing law and jurisdiction provision in the Multi-Unit Development Agreement to this Guarantee. The terms contained in the Multi-Unit Development Agreement and this Guarantee constitute the entire agreement between the parties, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein.

Print Name: _____
Signature: _____
Address: _____

Print Name: _____
Signature: _____
Address: _____

Print Name: _____
Signature: _____
Address: _____

Print Name: _____
Signature: _____
Address: _____

ATTACHMENT A (MUDA)
FORM FRANCHISE AGREEMENT

ATTACHMENT B (MUDA)

MULTI-UNIT DEVELOPMENT SCHEDULE

Development Schedule

Unit Number	Date Franchise Agreement must be executed	Date Unit Must be Operational

Expiration Date

The expiration date is: _____.

ATTACHMENT C (MUDA)

Multi-State Amendment
To Multi Unit Development Agreement

(For the following States: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)

This Amendment pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the “SOP”) and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where the SOP, because applicable jurisdictional requirements are not met, does not subject the parties to the provisions of the SOP. Notwithstanding anything which may be contained in the body of the Multi Unit Development Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Multi Unit Development Agreement dated _____, 20__, will be amended as follows:

1. The following language is added immediately before the signature block of the Multi Unit Development Agreement:

“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.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____

Its: _____

Date of signature: _____

By: _____

Its: _____

Date of signature: _____

ATTACHMENT C (MUDA)

Illinois Addendum to the Multi Unit Development Agreement

The parties to the Multi Unit Development Agreement dated _____, _____, hereby agree that the Multi Unit Development Agreement will be amended as follows:

1. Franchisor and Multi-Unit Developer are parties to that certain Bubble Bus Multi-Unit Development Agreement dated _____, _____ that has been signed concurrently with the signing of this Addendum. This Addendum is annexed to and forms part of the Multi-Unit Development Agreement.

2. Illinois law governs the agreements between the parties to this franchise.

3. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

4. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. Payment of Initial Development Fees will be deferred until Franchisor has met all of its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's financial condition.

Dated on the _____ day of _____, 20____.

BUBBLE BUS FRANCHISE LLC

MULTI-UNIT DEVELOPER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTACHMENT C (MUDA)

New York Addendum to the Multi Unit Development Agreement

Notwithstanding anything contained in the Franchise Agreement, the Multi Unit Development Agreement and Franchise Disclosure Document (“FDD”) to the contrary, the following provisions of the New York State Franchise Act shall apply to any franchise or franchisee located in the State of New York, which shall control to the extent of any inconsistency:

Item 3 shall be supplemented by the following:

A. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor’s principal trademark 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. Nor do we, any predecessor, any person identified in Item 2, or any affiliate offering franchises under the franchisor’s principal trademark have any 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.

B. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor’s principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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.

C. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor’s principal trademark 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.

Item 4 shall be supplemented by the following:

Neither the franchisor nor any of its affiliates, predecessors, officers, or general partner, during the 10-year period immediately before the date of the offering circular, has: (a) filed as a debtor (or had filed against it, him or her) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its, his or her debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5 shall be supplemented by the following:

All franchisee fees are applied to the franchisor's general operating fund. All obligations of franchisor, whether to franchisees or otherwise, are paid out of this fund. The Initial Franchise Fee is uniformly imposed.

Item 17, the Franchise Agreement and the Multi Unit Development Agreement shall be supplemented by the following:

1. Any provision of the Franchise Agreement, Multi Unit Development Agreement and Paragraph "d" under Item 17 of the FDD titled "Termination by franchisee", shall be supplemented to state that the franchisee or area developer may terminate the franchise agreement or Multi Unit Development Agreement on any grounds available by applicable law.

2. Any provision of the Franchise Agreement, Multi Unit Development Agreement and Paragraph "j" under Item 17 of the FDD titled "Assignment of contract by franchisor", shall be supplemented as follows:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the franchise agreement or Multi Unit Development Agreement.

3. The Franchise Agreement, Multi Unit Development Agreement and Paragraph "w" under Item 17 of the FDD, are supplemented by the following provision:

Any choice of law provision shall not be considered a waiver of any right conferred upon the franchisor or upon the franchisee or upon the area developer by the provisions of Article 33 of the New York State General Business Law.

All other terms and provisions contained in the Franchise Agreement, Multi Unit Development Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _____ day of _____, 20____.

BUBBLE BUS FRANCHISE LLC

FRANCHISEE: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT C
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See attached.

Bubble Bus Franchise Operations Manual

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EXHIBIT D
STATE LAW ADDENDUM

MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)

This Addendum pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the “SOP”) and is for the purpose of complying with the statutes and regulations of such states. For franchises sold in such states, this franchise disclosure document is amended by adding the following section at the end of Item 9:

“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.”

EXHIBIT D-continued

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the agreements between the parties to this franchise.
2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's financial status.

EXHIBIT D-continued

STATE LAW ADDENDUM-NEW YORK

Notwithstanding anything contained in the Franchise Agreement, the Multi Unit Development Agreement and Franchise Disclosure Document (“FDD”) to the contrary, the following provisions of the New York State Franchise Act shall apply to any franchise or franchisee located in the State of New York, which shall control to the extent of any inconsistency:

Item 3 shall be supplemented by the following:

A. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor’s principal trademark 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. Nor do we, any predecessor, any person identified in Item 2, or any affiliate offering franchises under the franchisor’s principal trademark have any 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.

B. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor’s principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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.

C. Neither the franchisor, its predecessor, a person identified in Item 2, nor an affiliate offering franchises under the franchisor’s principal trademark 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.

Item 4 shall be supplemented by the following:

Neither the franchisor nor any of its affiliates, predecessors, officers, or general partner, during the 10-year period immediately before the date of the offering circular, has: (a) filed as a debtor (or had filed against it, him or her) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its, his or her debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained

a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5 shall be supplemented by the following:

All franchisee fees are applied to the franchisor's general operating fund. All obligations of franchisor, whether to franchisees or otherwise, are paid out of this fund. The Initial Franchise Fee is uniformly imposed.

Item 17, the Franchise Agreement and the Multi Unit Development Agreement shall be supplemented by the following:

1. Any provision of the Franchise Agreement, Multi Unit Development Agreement and Paragraph "d" under Item 17 of the FDD titled "Termination by franchisee", shall be supplemented to state that the franchisee or area developer may terminate the franchise agreement or Multi Unit Development Agreement on any grounds available by applicable law.

2. Any provision of the Franchise Agreement, Multi Unit Development Agreement and Paragraph "j" under Item 17 of the FDD titled "Assignment of contract by franchisor", shall be supplemented as follows:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the franchise agreement or Multi Unit Development Agreement.

3. The Franchise Agreement, Multi Unit Development Agreement and Paragraph "w" under Item 17 of the FDD, are supplemented by the following provision:

Any choice of law provision shall not be considered a waiver of any right conferred upon the franchisor or upon the franchisee or upon the area developer by the provisions of Article 33 of the New York State General Business Law.

All other terms and provisions contained in the Franchise Agreement, Multi Unit Development Agreement and FDD shall remain in full force and effect, except to the extent specifically modified herein.

Dated on the _____ day of _____, 20____.

BUBBLE BUS FRANCHISE LLC

FRANCHISEE: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT E
LIST OF FRANCHISEES

Franchised Outlet

As of December 31, 2022

Florida

Omar Rodriguez and Cortney Thekan (2 Units -1 Delivered)
3203 Hurd Avenue
Orlando, FL 32812
(321) 438-9119

Missouri

Air Ball Industries, Inc. (2 Units)
907 Valley Oaks
Wentzville, MO 63385
(636) 357-6231

New York

GS Bubbles, LLC (2 Units)
234 Oscawana Lake Road
Putnam Valley, NY 10579
(914) 552-4740

Franchised Outlet

Signed After December 31, 2022

Louisiana

The Bubble Beas, LLC (1 Unit)
4111 Rue Colombe
Carencro, LA 70520
(337) 404-6564

Affiliate Owned Outlet

As of December 31, 2022

JVR Enterprises, LLC (4 Units)
7244 Devonshire Avenue
St. Louis, MO 63119
(844) 282-2533

FRANCHISEES WHICH LEFT THE SYSTEM

(The list of franchisees which have been terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.)

Texas

Lone Star Bubbles, LLC (3 Units – 2 Delivered)
941 Crystal Cove
Oak Point, TX 75068
(469) 400-2853

EXHIBIT F
FINANCIAL STATEMENTS

BUBBLE BUS FRANCHISE LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

INDEPENDENT AUDITOR'S REPORT

To the Member
Bubble Bus Franchise LLC

Opinion

We have audited the financial statements of Bubble Bus Franchise LLC (a single member LLC), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and member's deficiency and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bubble Bus Franchise LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bubble Bus Franchise 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 Bubble Bus Franchise 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.

March 11, 2023

SFW Partners, LLC
SFW Partners, LLC

BUBBLE BUS FRANCHISE LLC

BALANCE SHEETS

As of December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 57,968	\$ 45,208
Accounts receivable	<u>2,500</u>	<u>2,500</u>
Total assets	<u>\$ 60,468</u>	<u>\$ 47,708</u>

LIABILITIES AND MEMBER'S DEFICIENCY

Current liabilities:		
Accounts payable	\$ 1,085	\$ 1,715
Due to related parties	<u>255,418</u>	<u>229,305</u>
Total liabilities	<u>256,503</u>	<u>231,020</u>
Member's deficiency	<u>(196,035)</u>	<u>(183,312)</u>
Total liabilities and member's deficiency	<u>\$ 60,468</u>	<u>\$ 47,708</u>

The accompanying notes to the financial statements
are an integral part of these balance sheets.

BUBBLE BUS FRANCHISE LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIENCY For the Years Ended December 31, 2022 and 2021

	2022			2021		
Revenue:						
Franchise fee revenue	\$	29,225	100.00 %	\$	61,700	100.00 %
Selling, general and administrative expenses:						
Management fee		26,113	89.35		21,533	34.90
Legal and professional fees		15,435	52.81		16,592	26.89
Bank service charges		300	1.03		300	0.49
Licenses		100	0.34		100	0.16
Total selling, general and administrative		<u>41,948</u>	<u>143.53</u>		<u>38,525</u>	<u>62.44</u>
Net (loss) income		(12,723)	<u>(43.53) %</u>		23,175	<u>37.56 %</u>
Member's deficiency, beginning of the year		<u>(183,312)</u>			<u>(206,487)</u>	
Member's deficiency, end of the year	\$	<u>(196,035)</u>		\$	<u>(183,312)</u>	

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

BUBBLE BUS FRANCHISE LLC

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net (loss) income	\$ (12,723)	\$ 23,175
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Increase in assets:		
Accounts receivable	-	(2,500)
Increase (decrease) in liabilities:		
Accounts payable	(630)	1,715
Due to related parties	26,113	21,533
Net cash provided by operating activities	<u>12,760</u>	<u>43,923</u>
Net increase in cash	12,760	43,923
Cash, beginning of the year	<u>45,208</u>	<u>1,285</u>
Cash, end of the year	<u>\$ 57,968</u>	<u>\$ 45,208</u>

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

BUBBLE BUS FRANCHISE LLC

NOTES TO THE FINANCIAL STATEMENTS

(1) Operations

Bubble Bus Franchise LLC (the “Company”) is a limited liability company formed to act as the franchisor of Bubble Bus, a company that is in the business of facilitating specialty events centered around using bubbles as the primary attraction.

(2) Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Company derives its revenue from the sale of franchise agreements, whereby it collects franchise fees and royalty payments from franchisees to secure the right to operate franchises in specific territories. Per the franchise agreements, the franchise fee is recognized when the agreement is signed. Royalty payments are recognized in the period in which they are earned. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than one year.

Accounts Receivable

The Company carries its accounts receivable at cost. On a periodic basis, the Company evaluates its accounts receivable and recognizes bad debts, based on an analysis of specific customers, taking into consideration the age of the past due accounts and an assessment of the customer’s ability to pay. An allowance for doubtful accounts has not been established as the amount is considered immaterial.

Income Taxes

The Company, with the consent of its member, has elected under the Internal Revenue Code to be treated as a single member limited liability company. In lieu of corporation income taxes, the member is taxed on the Company’s taxable income. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Company accounts for any uncertain tax positions in accordance with the Income Taxes topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). The topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. In evaluating the Company’s tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

BUBBLE BUS FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

(3) Due to Related Parties

As of December 31, 2022 and 2021, the Company has amounts outstanding of \$255,418 and \$229,305, respectively, due to related parties. The amounts are due on demand and do not bear interest.

During the years ended December 31, 2022 and 2021, the Company incurred management fee expenses of \$26,113 and \$21,533, respectively, to entities related through common ownership.

Variable interest entities ("VIE") are primarily entities that lack sufficient equity to finance their activities without additional subordinated financial support from other parties or whose equity holders as a group lack certain power, obligations, or rights. Generally accepted accounting principles require that a company that holds variable interests in a VIE consolidate the VIE if the company has the power to direct the most significant activities of the VIE and the obligation to absorb material losses or right to receive material benefits of the VIE. In such cases, the company is the primary beneficiary of the VIE.

Pursuant to the private company alternative under the Consolidation topic of the FASB ASC, the Company has not evaluated the above entities for potential consolidation as VIEs. This alternative is available for private entities under common control where the reporting entity does not have a controlling financial interest in the related entity. The entities above have met these criteria for the years ended December 31, 2022 and 2021.

(4) Note Payable

The Company has a line-of-credit agreement with a bank whereby it can borrow up to \$100,000, with interest at the bank's prime rate plus 0.50%, but not less than 4.50%, payable monthly. Any outstanding amounts borrowed under this agreement are due on November 24, 2023. No amounts were outstanding under this agreement as of December 31, 2022 and 2021. The note is secured by all the assets of the Company and a related party and is guaranteed by the owner and the related party.

(5) Franchising Agreements

In general, the Company's franchise agreements provide for the payment of an initial franchise fee for each opened franchise. Franchisees pay continuing royalty fees based on an agreed upon amount each quarter starting six months after the franchise agreement is signed. Subject to approval and payment of a renewal fee and other conditions, a franchisee may generally renew its agreement upon expiration.

BUBBLE BUS FRANCHISE LLC

NOTES TO THE FINANCIAL STATEMENTS

(5) Franchising Agreements (Continued)

Initial franchise fees, which are generally \$18,000, are recognized when the agreements are signed. At the time of the initial franchise sale, the franchisee may purchase additional contiguous territories for \$10,000 each.

The Company sold two individual franchise renewals during the year ended December 31, 2022. The Company sold one initial franchise, two additional individual franchises, and one individual franchise renewal during the year ended December 31, 2021. A total of \$24,225 and \$16,200 for royalty fees was collected for the years ended December 31, 2022 and 2021, respectively. The Company waived the quarterly royalty fee payments for each franchise due to the COVID-19 pandemic from March 2020 through March 2021.

As of December 31, 2022 and 2021, the Company has four operating franchisees with a total of seven operating franchises. In addition, a related party operates four buses in unprotected territories in the Midwest region of the United States.

(6) Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by geographic region which depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. All revenue for 2022 and 2021 was recognized at a point in time. Disaggregation of revenue consists of the following for the years ended December 31:

	2022	2021
Geographical region:		
Northeast	\$ 9,700	\$ 9,700
Midwest	9,175	18,600
South	7,200	5,400
Southeast	3,150	28,000
Total revenue	<u>\$ 29,225</u>	<u>\$ 61,700</u>

BUBBLE BUS FRANCHISE LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

To the Member
Bubble Bus Franchise LLC

Opinion

We have audited the financial statements of Bubble Bus Franchise LLC (a single member LLC), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and member's deficiency and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bubble Bus Franchise LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bubble Bus Franchise 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 Bubble Bus Franchise 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.

February 24, 2022

SFW Partners, LLC
SFW Partners, LLC

BUBBLE BUS FRANCHISE LLC

BALANCE SHEETS

As of December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$ 45,208	\$ 1,285
Accounts receivable	<u>2,500</u>	<u>-</u>
Total assets	<u>\$ 47,708</u>	<u>\$ 1,285</u>

LIABILITIES AND MEMBER'S DEFICIENCY

Current liabilities:		
Accounts payable	\$ 1,715	\$ -
Due to related parties	<u>229,305</u>	<u>207,772</u>
Total liabilities	<u>231,020</u>	<u>207,772</u>
Member's deficiency	<u>(183,312)</u>	<u>(206,487)</u>
Total liabilities and member's deficiency	<u>\$ 47,708</u>	<u>\$ 1,285</u>

The accompanying notes to the financial statements
are an integral part of these balance sheets.

BUBBLE BUS FRANCHISE LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIENCY For the Years Ended December 31, 2021 and 2020

	2021		2020	
Revenue:				
Franchise fee revenue	\$ 61,700	100.00 %	\$ 2,625	100.00 %
Selling, general and administrative expenses:				
Management fee	21,533	34.90	20,275	772.38
Legal and professional fees	16,592	26.89	10,531	401.18
Bank service charges	300	0.49	305	11.62
Licenses	100	0.16	100	3.81
Advertising	-	-	2,023	77.07
Total selling, general and administrative	38,525	62.44	33,234	1,266.06
Net income (loss)	23,175	37.56 %	(30,609)	(1,166.06) %
Member's deficiency, beginning of the year	(206,487)		(175,878)	
Member's deficiency, end of the year	\$ (183,312)		\$ (206,487)	

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

BUBBLE BUS FRANCHISE LLC

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net income (loss)	\$ 23,175	\$ (30,609)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Increase in assets:		
Accounts receivable	(2,500)	-
Increase in liabilities:		
Accounts payable	1,715	
Due to related parties	21,533	22,275
Net cash provided by (used in) operating activities	<u>43,923</u>	<u>(8,334)</u>
Net increase (decrease) in cash	43,923	(8,334)
Cash, beginning of the year	<u>1,285</u>	<u>9,619</u>
Cash, end of the year	<u><u>\$ 45,208</u></u>	<u><u>\$ 1,285</u></u>

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

BUBBLE BUS FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS

(1) Operations

Bubble Bus Franchise LLC (the "Company") is a limited liability company formed to act as the franchisor of Bubble Bus, a company that is in the business of facilitating specialty events centered around using bubbles as the primary attraction.

(2) Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Company derives its revenue from the sale of franchise agreements, whereby it collects franchise fees and royalty payments from franchisees to secure the right to operate franchises in specific territories. Per the franchise agreements, the franchise fee is recognized when the agreement is signed. Royalty payments are recognized in the period in which they are earned. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than one year.

Accounts Receivable

The Company carries its accounts receivable at cost. On a periodic basis, the Company evaluates its accounts receivable and recognizes bad debts, based on an analysis of specific customers, taking into consideration the age of the past due accounts and an assessment of the customer's ability to pay. An allowance for doubtful accounts has not been established as the amount is considered immaterial.

Income Taxes

The Company, with the consent of its member, has elected under the Internal Revenue Code to be treated as a single member limited liability company. In lieu of corporation income taxes, the member is taxed on the Company's taxable income. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Company accounts for any uncertain tax positions in accordance with the Income Taxes topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. In evaluating the Company's tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Advertising Expenses

During the years ended December 31, 2021 and 2020, the Company had \$0 and \$2,023, respectively, in advertising costs which are expensed as they are incurred.

BUBBLE BUS FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

(3) Due to Related Parties

As of December 31, 2021 and 2020, the Company has amounts outstanding of \$229,305 and \$207,772, respectively, due to related parties. The amounts are due on demand and do not bear interest.

During the years ended December 31, 2021 and 2020, the Company incurred management fee expenses of \$21,533 and \$20,275, respectively, to entities related through common ownership.

(4) Note Payable

The Company has a line-of-credit agreement with a bank whereby it can borrow up to \$100,000, with interest at the bank's prime rate plus 0.50%, but not less than 4.50%, payable monthly. Any outstanding amounts borrowed under this agreement are due on November 24, 2022. No amounts were outstanding under this agreement as of December 31, 2021 and 2020. The note is secured by all the assets of the Company and a related party and was guaranteed by the owner and the related party.

(5) Franchising Agreements

In general, the Company's franchise agreements provide for the payment of an initial franchise fee for each opened franchise. Franchisees pay continuing royalty fees based on an agreed upon amount each quarter starting six months after the franchise agreement is signed. Subject to approval and payment of a renewal fee and other conditions, a franchisee may generally renew its agreement upon expiration.

Initial franchise fees, which are generally \$18,000, are recognized when the agreements are signed. At the time of the initial franchise sale, the franchisee may purchase additional contiguous territories for \$10,000 each.

The Company sold one initial franchise, two additional individual franchises, and one individual franchise renewal during the year ended December 31, 2021. The Company sold no individual franchises during the year ended December 31, 2020. A total of \$16,200 and \$2,625 for royalty fees was collected for the years ended December 31, 2021 and 2020, respectively. The Company waived the quarterly royalty fee payments for each franchise due to the COVID-19 pandemic from March 2020 through March 2021.

BUBBLE BUS FRANCHISE LLC

NOTES TO THE FINANCIAL STATEMENTS

(5) Franchising Agreements (Continued)

As of December 31, 2021, the Company has four operating franchisees with a total of eight operating franchises. As of December 31, 2020, the Company had three operating franchisees with a total of six operating franchises. In addition, a related party operates four buses in unprotected territories in the Midwest region of the United States.

(6) Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by geographic region which depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. All revenue for 2021 and 2020 was recognized at a point in time. Disaggregation of revenue consists of the following for the years ended December 31:

	2021	2020
Geographical region:		
Southeast	\$ 28,000	\$ -
Midwest	18,600	900
Northeast	9,700	-
South	5,400	1,725
	<u>61,700</u>	<u>2,625</u>
Total revenue	\$ <u>61,700</u>	\$ <u>2,625</u>

BUBBLE BUS FRANCHISE LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITOR'S REPORT

To the Member
Bubble Bus Franchise LLC

We have audited the accompanying financial statements of Bubble Bus Franchise LLC (a single member LLC), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and member's deficiency and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis-of-Matter

As discussed in Note 7, the Company expects to be affected by the worldwide pandemic due to COVID-19. At the time the financial statements were issued, the financial impact on the Company cannot be predicted. Our opinion is not modified with respect to this matter.

February 22, 2021

SFW Partners, LLC
SFW Partners, LLC

BUBBLE BUS FRANCHISE LLC

BALANCE SHEETS
As of December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash	<u>\$ 1,285</u>	<u>\$ 9,619</u>
Total assets	<u><u>\$ 1,285</u></u>	<u><u>\$ 9,619</u></u>

LIABILITIES AND MEMBER'S DEFICIENCY

Current liabilities:		
Due to related parties	\$ 207,772	\$ 185,497
Member's deficiency	<u>(206,487)</u>	<u>(175,878)</u>
Total liabilities and member's deficiency	<u><u>\$ 1,285</u></u>	<u><u>\$ 9,619</u></u>

The accompanying notes to the financial statements
are an integral part of these balance sheets.

BUBBLE BUS FRANCHISE LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIENCY

For the Years Ended December 31, 2020 and 2019

	2020			2019		
Revenue:						
Franchise fee revenue	\$	2,625	100.00 %	\$	16,500	100.00 %
Selling, general and administrative expenses:						
Management fee		20,275	772.38		25,390	153.88
Legal and professional fees		10,531	401.18		9,613	58.26
Advertising		2,023	77.07		3,620	21.94
Bank service charges		305	11.62		-	-
Licenses		100	3.81		100	0.61
Office expense		-	-		300	1.82
Total selling, general and administrative		<u>33,234</u>	<u>1,266.06</u>		<u>39,023</u>	<u>236.51</u>
Net loss		(30,609)	<u>(1,166.06) %</u>		(22,523)	<u>(136.51) %</u>
Member's deficiency, beginning of the year		<u>(175,878)</u>			<u>(153,355)</u>	
Member's deficiency, end of the year	\$	<u>(206,487)</u>		\$	<u>(175,878)</u>	

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

BUBBLE BUS FRANCHISE LLC

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net loss	\$ (30,609)	\$ (22,523)
Adjustments to reconcile net loss to net cash (used in)		
provided by operating activities:		
Increase (decrease) in liabilities:		
Due to related parties	<u>22,275</u>	<u>25,390</u>
Net cash (used in) provided by operating activities	<u>(8,334)</u>	<u>2,867</u>
Net (decrease) increase in cash	(8,334)	2,867
Cash, beginning of the year	<u>9,619</u>	<u>6,752</u>
Cash, end of the year	<u>\$ 1,285</u>	<u>\$ 9,619</u>

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

BUBBLE BUS FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS

(1) Operations

Bubble Bus Franchise LLC (the "Company") is a limited liability company formed to act as the franchisor of Bubble Bus, a company that is in the business of facilitating specialty events centered around using bubbles as the primary attraction.

(2) Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Company derives its revenue from the sale of franchise agreements, whereby it collects franchise fees and royalty payments from franchisees to secure the right to operate franchises in specific territories. Per the franchise agreements, the franchise fee is recognized when the agreement is signed. Royalty payments are recognized in the period in which they are earned. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than one year.

Income Taxes

The Company, with the consent of its member, has elected under the Internal Revenue Code to be treated as a single member limited liability company. In lieu of corporation income taxes, the member is taxed on the Company's taxable income. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Company accounts for any uncertain tax positions in accordance with the Income Taxes topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. In evaluating the Company's tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Advertising Expenses

During the years ended December 31, 2020 and 2019, the Company had \$2,023 and \$3,620, respectively, in advertising costs which are expensed as they are incurred.

Subsequent Events

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

BUBBLE BUS FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS

(3) Due to Related Parties

As of December 31, 2020 and 2019, the Company has amounts outstanding of \$207,772 and \$185,497, respectively, due to related parties. The amounts are due on demand and do not bear interest.

During the years ended December 31, 2020 and 2019, the Company incurred management fee expenses of \$20,275 and \$25,390, respectively, to entities related through common ownership.

(4) Note Payable

The Company has a line-of-credit agreement with a bank whereby it can borrow up to \$100,000, with interest at the bank's prime rate plus 0.50%, but not less than 4.50%, payable monthly. Any outstanding amounts borrowed under this agreement are due on November 24, 2021. No amounts were outstanding under this agreement as of December 31, 2020 and 2019. The note is secured by all the assets of the Company and a related party and was guaranteed by the owner and the related party.

(5) Franchising Agreements

In general, the Company's franchise agreements provide for the payment of an initial franchise fee for each opened franchise. Franchisees pay continuing royalty fees based on an agreed upon amount each quarter starting six months after the franchise agreement is signed. Subject to approval and payment of a renewal fee and other conditions, a franchisee may generally renew its agreement upon expiration.

Initial franchise fees, which are generally \$18,000, are recognized when the agreements are signed. At the time of the initial franchise sale, the franchisee may purchase additional contiguous territories for \$10,000 each.

The Company sold no individual franchises during the years ended December 31, 2020 and 2019, and collected no initial franchise fee revenue during the years ended December 31, 2020 and 2019. A total of \$2,625 and \$16,500 for royalty fees was collected for the years ended December 31, 2020 and 2019, respectively. As of March 2020, the Company waived the quarterly royalty fee payments for each franchise due to the COVID-19 pandemic (see Note 7).

As of December 31, 2020 and 2019, the Company has three operating franchisees with a total of six operating franchises. In addition, a related party operates five buses in unprotected territories in the Midwest region of the United States.

BUBBLE BUS FRANCHISE LLC

NOTES TO THE FINANCIAL STATEMENTS

(6) Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by geographic region and timing of transfer of services, which depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. All revenue for 2020 and 2019 was recognized as services were transferred over time. Disaggregation of revenue consists of the following for the years ended December 31:

	2020	2019
Geographical region:		
South	\$ 1,725	\$ 5,775
Midwest	900	3,600
East	-	7,125
Total revenue	\$ 2,625	\$ 16,500

(7) Risk and Uncertainty Due to COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 virus a worldwide pandemic as the spread of the virus has reached most countries, including the United States. Federal, state, and local governments have taken actions to limit the transmission of this virus, which includes restrictions on travel, dining, and many other non-essential business and consumer activities. The impact of this virus and the government mandated restrictions could have a significant impact on the Company's future operations. The United States federal government, as well as many state and local governments, have passed stimulus bills to combat the economic impact of the virus. The potential effectiveness of these stimulus bills are currently not known. Since the time that many of the restrictions were put in place, the Company's operations have been adversely affected.

In response to the COVID-19 pandemic, the Company waived the quarterly royalty fee payments for each franchise starting in March 2020 and reduced spending.

The extent of the impact of the COVID-19 pandemic on operational and financial performance, including the Company's ability to execute business strategies and initiatives in the expected time frame, will depend on future developments including the duration and spread of the pandemic, restrictions on travel, impacts on consumer confidence and spending, and the extent of any recession resulting from the pandemic. As of the date the financial statements were available to be issued, the Company waived the royalty fee payments for the first quarter of 2021. Currently the Company cannot reasonably estimate the duration and severity of the COVID-19 pandemic, nor the overall impact to its business. The accompanying financial statements do not include any adjustments for these events occurring subsequent to year-end.

(8) Subsequent Event

Subsequent to year-end, the Company sold a franchise agreement with two territories.

UNAUDITED FINANCIAL STATEMENTS

None.

EXHIBIT G
LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

NOTE: SOME STATES REQUIRE THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

California

Department of Financial
Protection & Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344
(213) 576-2677
(866) 275-2677

Florida

Department of Agriculture and
Consumer Services
Division of Consumer Services
227 N. Bronough Street
City Centre Building, 7th Floor
Tallahassee, FL 32301
(904) 922-2770

Hawaii

Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 204
Honolulu, HI 96813
(808) 586-2722

Illinois

Office of Attorney General
Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street
Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Office of Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
Lansing, MI 48913
(517) 373-7117

Minnesota

Department of Commerce
Registration and Licensing
85 7th Place East, Suite 500
St. Paul, MN 55101
(612) 296-6328

Nebraska

Department of Banking and
Finance
1200 N Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509
(402) 471-3445

New York

Office of the New York State
Attorney General
New York State Department of
Law
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8211 Phone

North Dakota

North Dakota Securities
Department
600 East Boulevard, State
Capitol, 5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon

Depart. of Ins. and Finance
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island

Depart. of Business Regulation
Division of Securities
1511 Pontiac Ave.
John O. Pastore Complex
Building 69-1
Cranston, RI 02920
(401) 462-9582

South Dakota

Depart. of Commerce &
Consumer Regulation
Division of Securities
c/o 118 West Capitol
Pierre, SD 57501
(605) 773-4823

Texas

Secretary of State
Statutory Document Section
P.O. Box 13563
Austin, TX 78711
(512) 475-1769

Virginia

State Corporation Commission
Division of Securities and
Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington

Securities Administrator
Department of Financial
Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Department of Financial
Institutions Div. of Securities
345 W. Washington Ave., 4th FL
Madison, WI 53703
(608) 261-9555

Agents for Service of Process

California

Department of Financial Protection & Innovation
State of California
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7505
(866) 275-2677

Hawaii

Commissioner of Securities
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Indiana

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan

Department of Commerce,
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48910
(517) 334-6212

Minnesota

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(612) 296-4026

New York

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Department
600 East Boulevard, State Capitol
5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon

Director of Oregon
Department of Insurance and Finance
700 Summer Street, N.E., Suite 120
Salem, Oregon 97310
(503) 378-4387

Rhode Island

Director of Rhode Island
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 222-3048

South Dakota

Director of South Dakota Division of Securities
118 West Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4823

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9733

Washington

Securities Administrator
Department of Financial Institutions
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin

Wisconsin Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 261-9555

EXHIBIT H
GENERAL RELEASE

THIS GENERAL RELEASE (the "General Release") is made by the undersigned (hereinafter "Releasor(s)") for the benefit of Bubble Bus Franchise LLC, a Missouri limited liability company (hereinafter, "Franchisor"), on this ____ day of _____, 20__.

RECITALS:

WHEREAS, Releasor is a Bubble Bus Business franchisee and operates a Bubble Bus Business (the "Franchised Business") pursuant to that certain franchise agreement dated _____ (the "Franchise Agreement");

WHEREAS, Releasor desires to renew its franchise with Franchisor or desires Franchisor's consent to _____ in connection with the Franchise Agreement; and

WHEREAS, certain states require certain changes be made to this General Release specific to such state.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Releasor hereby agrees, covenants and promises as follows:

1. Releasor, on behalf of itself and each of the persons and entities described in Section 2 hereof, hereby absolutely and forever releases, remises and discharges Franchisor and each of the persons and entities described in Section 3 hereof, from any and all claims, demands, damages, liabilities, costs (including, but not limited to reasonable attorneys' fees, accounting fees or experts' fees, and the costs of litigation, arbitration or other proceedings), expenses, liens, losses, charges, audits, investigations, injunctions, orders, rulings, subpoenas, controversies, obligations, debts, loans, interest, dues, accounts, awards, reckonings, bonds, bills, covenants, promises, undertakings, variances, trespasses, judgments, executions, sums of money owed, arbitrations, suits, decisions, proceedings, verdicts entered, issued, made or rendered and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor franchisee relationship between Releasor and Franchisor. Notwithstanding the foregoing, if this General Release is entered into in conjunction with the renewal, assignment or transfer of the Franchise Agreement, the foregoing release shall not apply to any liability under any state franchise law which governs this Release.

2. Releasor hereby understands and agrees that this General Release shall extend to and be binding upon any and all of Releasor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters. If more than one party shall execute this General Release, the term "Releasor" shall mean and refer to each of the parties executing this General Release, and all such parties shall be bound by its terms, jointly and severally.

3. Releasor hereby understands and agrees that this General Release shall extend to and inure to the benefit of Franchisor and any and all of Franchisor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters.

4. Releasor hereby understands and agrees that this General Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made by Franchisor with respect to this General Release, other than those expressly set forth herein, and that in executing this General Release, Releasor is not relying upon any representations, warranties, agreements or covenants not expressly set forth in this General Release.

5. This General Release may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. This General Release and all acts and transaction under it shall in all respects be interpreted, enforced and governed by the internal laws of the state in which Franchisor's principal place of business is located without regard to principles of conflicts of law

6. If any provision of this General Release is found or declared invalid or unenforceable by any arbitrator, court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof and this General Release shall thereafter continue in full force and effect except that such invalid or unenforceable provision, and (if necessary) other provisions hereof, shall be reformed by such arbitrator, court or other competent authority so as to effect insofar as is practicable, the intention of the parties set forth in this General Release, provided that if such arbitrator, court or other competent authority is unable or unwilling to effect such reformation, the invalid or unenforceable provision shall be deemed deleted to the same extent as if it had never existed.

7. Releasor hereby certifies that Releasor has read all of this General Release and fully understands all of the same, and that Releasor has executed this General Release only after having received full legal advice and disclosure as to Releasor's rights from legal counsel of Releasor's choice.

IN WITNESS WHEREOF, each Releasor party hereto has executed this General Release effective as the day and year first above written.

RELEASOR:

By:_____

Name:_____

Title:_____

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:

California	Not registered
Hawaii	Not registered
Illinois	Pending
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Pending
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

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.

**EXHIBIT I
RECEIPT
(YOUR COPY)**

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Bubble Bus Franchise 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. Under Iowa law, if applicable, we must provide this disclosure document to you at the earlier of our first personal meeting to discuss the franchise or 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sales. Under Michigan law, if applicable, we must provide this disclosure document to you at least 10 business 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. Under New York or Rhode Island law, if applicable, we must provide you this franchise disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding franchise or other agreement or make a payment of any consideration that relates to the franchise relationship.

If Bubble Bus Franchise 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit G.

The name, principal business address and telephone number of each franchise seller offering the franchise: John V. Reider, Elizabeth R. Reider, and Kevin Gruenewald, Bubble Bus Franchise LLC, 7244 Devonshire Avenue, St. Louis MO 63119, 314-997-2301.

Date of Issuance: April 27, 2023

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

I have received a disclosure document dated April 27, 2023, that included the following Exhibits:

- A. Franchise Agreement
- B. Multi-Unit Development Agreement
- C. Table of Contents of Manual
- D. State Law Addenda
- E. List of Franchisees
- F. Financial Statements
- G. List of State Agencies/Agents for Service of Process
- H. Release
- I. Receipt

Date

Signature

Printed Name

Date

Signature

Printed Name

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- H. Release
- I. Receipt

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to John Reider, Bubble Bus Franchise LLC, 7244 Devonshire Avenue, St. Louis MO 63119.