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FRANCHISE DISCLOSURE DOCUMENT

BOCONCEPT FRANCHISE, INC
142A LeFante Way
Bayonne, New Jersey 07002
(201) 433-4461
www boconcept us

BoConcept
urban design

The franchise offered is for the business of selling retail furniture and related products, under the name of BoConcept® and which is owned by BOCONCEPT FRANCHISE, INC and its affiliated companies The initial entrance or franchise fee is $30,000 00 for a franchise, as described in Items 5 and 6 The amount of the franchise fee may vary dependent upon the location of a franchise and the number of franchises purchased The total investment necessary to begin operation of a BoConcept Franchise, Inc , franchised business is between $375,612 00 to $789,212 00, dependent upon the size and location of each store This includes $30,000 00 franchise fee and between $95,000 00 and $160,000 00 for initial inventory including accessories and furniture product displays, and between $15,000 00 and $30,000 00 for store Buildout/shopfitter, and an initial fee of $2,023 00 for AXAPTA (inventory, sales, delivery software) and User license of $7,689 00, that must be paid to the franchisor or its affiliates as the initial fees described in Item 7

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.**

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 "A Consumer's Guide to Buying a Franchise" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW Washington 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 January 1, 2018

STATE COVER PAGE-BOCONCEPT FRANCHISE, INC

Your state may have a franchise, business opportunity or other law that requires a franchisor to register or file with a state franchise administrator or other agency before offering or selling in your state REGISTRATION OR ACCEPTANCE OF A FILING OF A FRANCHISE OR A BUSINESS OPPORTUNITY BY A STATE DOES NOT MEAN THAT THE STATE HAS REVIEWED OR RECOMMENDS, APPROVES OR ENDORSES THE FRANCHISE OR BUSINESS OPPORTUNITY, OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT If you have any questions about this investment, see an attorney before you sign any contract or agreement and call the state franchise administrator listed in Exhibit C for information about the franchisor or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE OR ARBITRATE WITH COMPANY ONLY IN KANSAS* OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE OR ARBITRATE IN KANSAS THAN IN YOUR HOME STATE HOWEVER, THE FRANCHISEE CAN FILE A CIVIL LAWSUIT IN THEIR HOME STATE ALLEGING A VIOLATION OF SUCH STATES FRANCHISE LAW *Illinois allows Illinois franchisees to sue or arbitrate in Illinois

2 THE FRANCHISE AGREEMENT STATES THAT KANSAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS TO SEE IF YOU'RE STATE REQUIRES THAT YOUR STATE LAW GOVERNS THIS AGREEMENT (State Administrators are listed on Exhibit C)

3 SINCE ITS INCEPTION, THE FRANCHISOR HAS NET OPERATING LOSS CARRYFORWARD OF $289,164 00 AND AS OF FISCAL YEAR, END 4-30-17 FRANCHISOR HAS A POSITIVE NET WORTH OF $90,560 00 THE FINANCIAL STATEMENTS AS OF APRIL 30, 2017, HAVE BEEN PREPARED ASSUMING THE COMPANY WILL CONTINUE AS A GOING CONCERN

4 THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSES PERSONAL ASSETS AT RISK

5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE YOU SHOULD BE SURE DO YOUR OWN INVESTIGATION OF THE FRANCHISE

Information about comparisons of franchisors is available Call the Federal Trade Commission at (202) 326-2222, the state administrators listed on Exhibit C, or your public library for sources of information If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission listed above and the state administrator listed above

Effective Dates California pending, Florida to 8-15-18, New York to 1-3-18 Utah to 8-28-18, Washington State pending

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EXHIBITS

ACKNOWLEDGMENTS

1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is BOCONCEPT FRANCHISE, INC For ease of reference, BOCONCEPT Franchise, Inc , will be referred to as "BOCONCEPT", "we", or "us" and includes our affiliates that provide goods or services to franchisees and occasionally also by the previous name of Club 8 in this Disclosure Document We will refer to the person who buys the franchise as "you" throughout the Disclosure Document If you are a corporation, limited liability company, partnership or other legally recognized entity your owners will have to personally guarantee and be bound by the obligations contained in the franchise agreement to be signed by you as described in this Disclosure Document

A The name of the Franchisor is BoConcept Franchise, Inc

B We primarily do business under our company name of BoConcept®

C Our current principal business address in the United States is 142A LeFante Way, Bayonne New Jersey 07002 We have certain predecessors or affiliates as defined in the Disclosure Document guidelines BoConcept USA, Inc , f/k/a Club 8 Company, Inc BoConcept USA, Inc is a Kansas corporation owned by BoConcept North America, Inc (Delaware) which is owned by BoConcept A/S of Denmark BoConcept USA, Inc was originally formed on June 22, 1993 as Bo Concept Holding, Inc and the name was changed to Club 8 Company, Inc , on January 6, 2000 and then changed to BoConcept USA on April 4, 2006 BoConcept Retail, Inc owned company stores and is also the corporation we utilized to franchise BoConcept® in the United States from January 1, 2003 until January 31, 2004 BoConcept Retail, Inc , was owned by BoConcept Retail A/S of Denmark On January 6, 2004, we formed Club 8 Franchise, Inc , as a separate Kansas corporation solely to franchise BoConcept® in the United States and the name was changed to BoConcept Franchise, Inc , on April 4, 2006 BoConcept Franchise, Inc is also owned by BoConcept North America, Inc , which is owned by BoConcept A/S of Denmark BoConcept A/S is owned by BoConcept Holding A/S which is a public company traded on the Copenhagen Stock Exchange under the symbol Denka-B Through predecessors and affiliates these companies have been in the business of furniture manufacturing and sales since 1952 The principal business address of all US affiliates referenced above is 142A LeFante Way, Bayonne New Jersey 07002 The principal business address of our parent company in Denmark (BoConcept Holding A/S) and all Danish affiliates is Morupvej 16, DK-7400 Herning The Agent for Service of Process in certain States is set forth in Exhibit C Unless otherwise set forth in Exhibit C, our agent for service of process is Mark W Arensberg, 8000 Foster, Overland Park, Kansas 66204 We through our affiliates own the rights to the name BoConcept® and BoConcept®

D On January 6, 2004, we formed Club 8 Franchise, Inc , as a separate Kansas corporation solely to franchise BoConcept® in the United States and the name was changed to BoConcept Franchise, Inc , on April 4, 2006

E **The Business of the Franchise** We franchise the business of retailing contemporary furniture and accessories (the "Franchised Business") under the "BOCONCEPT®" trade names and service marks (the "Marks") using certain inventory procedures, techniques, business methods, business forms, business policies and a body of knowledge pertaining to the establishment and operation of the Franchised Businesses (the "System and sometimes the "Concept") The franchise offered is for the right to operate a BoConcept® business using the Marks and the System at a specific location sometimes also referred to as the ("store" or "Brand Store") You must sign our franchise agreement (the "Franchise Agreement") when you purchase a franchise The Franchise Agreement provides for identification of you as either a "First" franchise if you are starting your first BoConcept® Franchise Business or an "Additional" franchise if you are already operating a BoConcept® Franchise Business

Competition Your competitors would include national, international and local contemporary furniture retailers The market for contemporary furniture in general is developed, and we believe the market for contemporary furniture continues to expand

Regulations We are not aware of regulations specific to the operation of your franchise with which you must comply You will be required to comply with all local, state and federal laws applicable to the operation of any business There may be other laws applicable to your business and we urge you to make further inquiries about these laws

Operating BOCONCEPT Businesses As of January 1, 2018, we listed twenty (13) operating BOCONCEPT businesses in the United States (plus (3) in Canada) There are 13 US franchises with 1 additional Company owned store in New York There are independent domestic corporations or limited liability companies operating BoConcept franchised stores in the following locations Georgia Atlanta, **New York**- Westchester (Upstate NY), and **New Jersey** Paramus and Princeton, and **Pennsylvania** Philadelphia, and **California**—Costa Mesa, San Francisco, San Jose---Los Angeles , and **Florida**- 1 in Miami, **Massachusetts**-Cambridge, **Washington DC-Georgetown;** and **Washington State**-Bellevue/Seattle, and **Canada**-Vancouver BC, - Toronto ON, and Montreal, Quebec

In forming this franchise program, we have chosen to combine and operate under the BOCONCEPT® name the retail contemporary furniture business We have obtained a license to use and sublicense the use of the Mark and the System (See Item 13) We have not offered franchises of the type to be offered prior to January 1, 2003 either through BoConcept Retail, Inc or BoConcept Franchise, Inc Neither we nor our affiliates have offered franchises, or engaged in, any other lines of business

2. BUSINESS EXPERIENCE

President/Chief Executive Officer Henrik Eriksen, -Mr Eriksen has over 35 years' experience in the retail furniture industry and he has been employed by BoConcept A/S since 2008 and has been CEO of BoConcept USA, Inc since 2016 In 2017, he became President of BoConcept Franchise Inc , and oversees all functions for BoConcept North America and is in charge of Business Development and Retail Division for the Americas

Treasurer/Chief Financial Officer Mike Hillyer-has been with BoConcept USA, Inc since 2006 He has a BA in Finance and is responsible for the Accounting and Finance Department, Human Resources and Information Technology

Secretary Mark W Arensberg-has been Secretary and Corporate Legal Counsel for BoConcept USA since 1994 and Secretary and Corporate Legal Counsel for Franchisor since its formation in 2004 He is responsible for legal representation and franchising matters for BoConcept Franchise, Inc and its affiliated companies

3 LITIGATION

BoConcept Franchise, Inc , and BoConcept USA, Inc , vs Jeremy Cohen and Liora Cohen and Cohen Retail Stores, LLC, Harris Co Texas District Court Case No 2014-57766 filed October 3, 2014 This Houston Texas Franchisee had numerous defaults of their Franchise Agreement and upon filing suit to collect substantial arrearages, their Franchise was formally terminated effective October 14, 2014 On December 2, 2015, we were granted our Motion For Summary Judgement and Final Judgement against the former Franchisee's business and all owners personally

Other than these actions, no litigation is required to be disclosed in this item

4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this item

5 INITIAL FEES

For a BOCONCEPT® franchise, the initial entrance or franchise fee is $30,000 00 A $3,000 00 deposit is payable upon signing a Letter of Intent (Exhibit D) and the remaining $27,000 00 is payable upon signing the Franchise Agreement The initial franchise fee is not refundable The amount of the initial franchise fee may vary dependent upon the location of the franchise and number of franchises purchased which are determined on a case by case basis and there is no range of fees currently available

Depending upon the size of your store, you also pay one of our affiliates (BoConcept USA, Inc or BoConcept A/S) between $95,000 00 and $160,000 00 for initial inventory including accessories and furniture displays, and between $15,000 00 and $30,000 00 for store Buildout/shopfitter, and an initial fee of $2,023 00 for AXAPTA (inventory, sales, delivery software) and User license of $7,689 00, payable as purchased There are no other fees or payments you would pay us before you open for business The total of all of the above initial fees to us are between $119,712 00 and $239,712 00 For franchises in California, we have established an Impound Account per Item 5 of the California Addendum and in Illinois, Washington State and Virginia they are deferred per Item 5 of each state's Addendum

6 OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Inventory pricing	No additional fees over inventory prices for purchases from Franchisor affiliates	As purchased, per terms	See Notes 1 & 2 & paragraph 14 in Franchise Agreement
Regional and Local Advertising and Promotion	Min of 8% of Annual Gross Sales	To be spent quarterly & accounted for by you	Payable to advertising vendors/coop as incurred-See Note 4
Pre-opening marketing assistance-local market analysis and planning	$550 per day, plus cost of transportation, lodging & other expenses	As incurred	Assistance to be provided as needed See item 11
Store Opening Support Manager	$550 per day plus cost of transportation, lodging & other expenses	As incurred	Assistance provided at Franchisee's option See item 11
Training-BoConcept University	BCU-$2,100 Min , per year, included in Annual fee structure, plus cost of transportation, lodging and other expenses	Monthly	See item 11
Business Meetings	Cost of transportation, lodging and other expenses	As incurred	Varies depending upon subject matter, See item 11
Specialized Assistance	Additional specialized assistance is currently $550 per day plus cost of transportation, lodging & other expenses	As incurred	Tailored to experience of franchisee See Note 3 and Item 11
Merchandisers	$550 per day per person-all normal costs included		Assistance to be provided as needed, See item 11
Stylist	$550 per day per person-all costs included		Assistance to be provided as needed See item 11

Transfer fee	Two-thirds of the then current initial franchise fee for a "first" franchise	At time of transfer	If you transfer franchise to a wholly owned corporation, limited liability company or partnership, we charge for our legal expenses and related costs but no transfer fee is due
Audit	Cost of inspection or audit	As incurred	Payable only if you fail to furnish reports or records or if the audit reveals you have understated your Gross Sales by more than 2%
Interest	1 5% per month	As incurred	---
Late Fee	$100 for each notification, non-sufficient funds check or demand for payment	As incurred	Payment Demands, non-sufficient funds checks & other Franchise Agreement violations-i e failure to timely provide reports & financial statements
Lease Renewal Fee	Our costs-up to $750	As incurred	Covers cost of review, See Items 8 and 11
Software (Currently AXAPTA) (+IT/Maintenance)+	$5,909 00 per yr , up to 3 users-included in Annual fee structure	Monthly	Varies by store size and location, See Items 7, 8 and 11
Other Annual fees	Router $109 00, Targit $809 00, Mystery Shopping $1,214 00-included in Annual fee structure	Monthly	Varies by store size and location, See Note 6 and Items 8 and 11
Management Fee	To be determined under circumstances	As incurred	Payable during period that our appointed manager manages the Franchised Business upon your default, death or disability
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your operations
System of Fines	19 3, Competition and 20 3, Confidentiality and 22 2 Termination alternative	As incurred	19 3, 20 3, 22 2, Additional fines may be assessed in the future for Violations of policies in the Company Operating Guidelines

(1) You must purchase all inventory and accessories from one of our affiliated companies (BoConcept USA, Inc or BoConcept A/S) Purchases are defined as the cost of all inventory, accessories (except for special shipment requests from franchisee) or other purchases directly or indirectly from the Company and its affiliates (currently including shipping), exclusive of

handling, taxes, insurance and duties Inventory prices and terms may be changed by Company or its affiliates at any time upon thirty (30) calendar day's prior written notice to Franchisee Annual Gross sales include all revenue collected by Franchisee from sales of all items by Franchisee

(2) No Commission shall be due for purchases from us

(3) At your request, we will provide additional assistance beyond our standard support, at a cost to you based on our then current daily fee for the respective personnel performing such assistance plus other reasonable expenses including all transportation, lodging and other expenses

(4) All other fees except Regional and Local Advertising and Promotion are imposed by and payable to us and are non-refundable Regional and Local Advertising and Promotion are payable to advertising vendors as incurred or to BoConcept USA, Inc

(5) All daily fees listed for training, consultation and assistance are for each separate person providing the consultation per day

(6) Annual fees include AXAPTA $5,909 00-max 3 users, Router $109 00, Targit $809 00, BCU-training $2,100 00, Mystery Shopping $1,214 00 which are all payable monthly (plus other fees which vary, samples, in-store TV, etc)

7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (assumes average store size of 4,500 to 6,000 square feet)

Type of Expenditure	Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment is To Be Made
Initial Franchise Fee (1)	$30,000	Lump Sum	$3,000 on signing Letter of Intent – $27,000 on signing Franchise Agreement	Us
Travel & Living Expenses During Training	$2,000 to $3,000	As incurred	Prior to Opening	Other suppliers
Office Supplies, Equipment and furniture	$4,000 to $5,000	As incurred	Prior to Opening	Other suppliers
Business Insurance	$1,500 to $2,500 (per month)	As incurred	Each month	Other suppliers
Computer Equipment	$15,000 to $20,000	As incurred	Prior to Opening	Other suppliers
AXAPTA Software	$9,712	As incurred	Prior to Opening	Us
Accounting and Legal Professional Fees	$4,000 to $6,000	As incurred	Prior to Opening	Other suppliers
Initial Inventory, depends on store size-see Accessories and Furniture	See below-in Accessories and Furniture/Product Displays	As incurred	Prior to Opening	Us

Accessories	$20,000 to $50,000	As incurred	Prior to Opening	Us
Furniture/Product Displays	$75,000 to $110,000	As incurred	Prior to Opening	Us
Lease, Utility and Security Deposit	$20,000 to $25,000	As incurred	Prior to Opening	Landlord Utilities
Leasehold Improvements	$95,000 to $250,000	As incurred	Prior to Opening	Other suppliers
Store Buildout by merchandisers/ shop fitter and stylist	$15,000 to $30,000	As incurred	Prior to Opening	Us
Signage	$5,000 to $20,000	As incurred	Prior to Opening	Other suppliers
Store Fixtures	$50,000 to $80,000	As incurred	Prior to Opening	Other suppliers
Equipment and Tools	$2,500 to $5,000	As incurred	Prior to Opening	Other suppliers
Vehicles-leased	$900 to $1,500, per month	As incurred	Prior to Opening	Other suppliers
Business Licenses and Permits	$1,000 to $1,500	As incurred	Prior to Opening	Other suppliers
Grand Opening Advertising	$25,000 to $40,000	Lump Sum	Between 1 month before and 3 months after scheduled store Opening	Other Suppliers
Additional Funds for 1st 90 days (2)	$0,000 to $100,000	As incurred	As incurred	Third Parties
TOTAL (3)(4)(5)	$375,612 to $789,212	---	---	---

Explanatory Notes to Table

(1) References to "Us" in this table and elsewhere includes our affiliates listed in Item 1 (currently all of the expenditures in this table referencing Us are paid to BoConcept USA, Inc and BoConcept A/S)

(2) Initial Franchise Fee As described in Item 5, for a BOCONCEPT® franchise, the initial franchise fee is $30,000 00

(3) Vehicles- there currently are no specified requirements for the "Vehicles"

(4) Additional Funds This item estimates your initial startup expenses These expenses do not include any draw or salary for you These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business Your costs will depend on factors such as how thoroughly you follow our methods and procedures, your personal discipline, dedication and commitment, your sales-ability, your management skill, experience and business acumen, local economic conditions, the local market for your products and services, the prevailing wage rate, location of your store and lease rates and expenses, advertising expenditures, competition, and the sales level reached during the initial period These estimates are provided solely to indicate possible working capital requirements and we make no representation that any franchise will experience these costs We relied on the experience of opening and operating other retail contemporary furniture businesses, however expenses will also vary significantly by location

(5) You should review these figures carefully with a business advisor before making any decision to purchase the franchise

(6) We do not offer financing directly or indirectly for any part of the initial investment The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and lending policies of financing institutions

(7) Amounts paid to others may not be refundable

(8) All amounts owed to us are the personal obligation of each individual owner of franchisee and are secured by a Security Agreement in all inventory, proceeds and other collateral per the Franchise Agreement and separately per Exhibit G

8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases You must purchase all inventory and accessories from us or our affiliated companies No officer of the franchisor holds any ownership interest in any third-party supplier

Revenue from Franchisee purchases In the year ending April 30, 2017 BoConcept USA revenue was $153,820 00 from the sale of inventory and accessories to all franchise stores which is 3 48% of all BoConcept USA revenue In fiscal year 2017 BoConcept A/S sold $7,634,730 00 of inventory and accessories directly to the franchisees which is 16% of the total revenue of BoConcept A/S The cost of initial inventory and accessories purchased by you will represent 100% of your total inventory and accessories purchases in establishing your business and 100% of your total inventory and accessories purchases during operation of the business BoConcept Franchise Inc does not sell inventory or accessories to franchisees and had total revenues for fiscal year 2017 of $139,936 00 of which $3,000 00 which was for franchise fees

Shipping and Delivery of Inventory. We manufacture some items while other third parties manufacture or produce items for us Due to the logistics involved in furniture manufacturing and distribution (including material and labor shortages and delivery and customs issues) we cannot guarantee shipping or delivery times Franchisee is fully responsible for all costs and services required to deliver and set-up all inventory to Franchisee's customers Franchisee shall either employ delivery personnel and obtain appropriate delivery equipment or utilize a qualified independent vendor to provide delivery and set-up services Regardless of which method is utilized, all delivery personnel (whether employed directly by or hired by Franchisee) shall be properly trained and managed by Franchisee Company retains the right to approve all equipment and personnel utilized to deliver inventory to Franchisee's customers to insure compliance with Company standards

Operating and Maintaining the Franchised Business You must operate and maintain the Franchised Business, at your sole cost and expense, in accordance with our specifications and procedures contained in the Company Operating Guidelines as defined in the next paragraph, as available You must use only those items, equipment, inventory, décor, supplies, apparel and signs, that we have approved for a Franchised Business as meeting our specifications and standards for appearance, function, trade dress, design, quality and performance and to purchase or lease them only from us, our affiliates or suppliers approved by us If you propose to purchase, lease, or otherwise use any equipment, inventory, décor, supply, apparel or sign which is not then approved by us or from a supplier not then approved by us, you must first notify us in writing and shall submit to us sufficient specifications, photographs, drawings, samples, and information, along with our then current daily fee (which is currently $550 00 per day) for each person which we provide for this determination plus reasonable expenses, for a determination by us of whether such inventory, décor, supply, apparel or sign, or proposed supplier complies with our specifications and standards relating to among other factors quality, price, consistency, reliability, financial capability, and customer relations, which determination shall be made and communicated in writing to you within forty-five (45) days from receipt of the submission from you We and our affiliates may be making a profit on your purchases when you purchase any goods or services from us or our affiliates or an approved supplier You must maintain the Franchised Business inventory, equipment, and furnishings in good repair, attractive appearance, and sound operating condition You at your expense shall do the repairs, re-equipping and upgrading/remodeling reasonably requested by us from time to time You must make no material replacements of or alterations to the store, vehicles, equipment, signs or other assets of the Franchised Business without prior written approval by us

Purchase and Maintain Insurance You must at all times during the term of the Franchise Agreement maintain in force at your sole expense such insurance coverage as we may, in our sole discretion, prescribe from time to time, including but not limited to workmen's compensation, comprehensive public liability and property damage, vehicle liability, business interruption and general and umbrella coverages Such insurance coverage must be maintained under one or more policies of insurance of the types and containing such terms and conditions and minimum liability protection in such amounts, as are specified from time to time by us and issued by insurance carriers rated "AAA" by A M Best Company Although amounts and types of insurance are not currently specified by Franchisor, we may from time to time set and then later increase the minimum amount of coverage required under any policy, 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 required hereunder must name us (and our officers, directors, shareholders and employees) as additional insured's, contain a waiver by the insurance carrier of all subrogation rights against us, and must provide that we will receive thirty (30) days advance written notice of termination, expiration or cancellation or modification of any such policy Prior to your commencement of operations, and annually thereafter, you agree to furnish to us a copy of the certificate, or other evidence of the insurance, renewal, or extension of each such insurance policy, together with evidence of payment of premiums, evidencing the required limits if any are specified If you do not maintain such insurance as required, we may, at our option and in addition to our other rights and remedies, but shall not be obligated to, obtain such commercially reasonable insurance and keep the same in full force and effect on our behalf, and you shall reimburse us for all premiums and other expenses incurred by us in connection with obtaining such insurance

Computer Software Our computer and certain related reporting requirements are provided in Item 11 of this Disclosure Document The cost of all of the above-referenced purchases described in this Item and in Item 7 of this Disclosure Document, the cost of these required purchases and leases typically represents up to 90% to 95% of your total purchases in connection with the establishment of your Franchised Business We estimate that of all purchases and leases to establish and operate the franchise 90% to 100% must be made from approved suppliers or in accordance with our specifications or standards

We currently negotiate purchasing arrangements for the benefit of franchisees with the supplies of the furniture and accessories from whom you are required to purchase your inventory The negotiations cover price terms, adequate supply, delivery, and other terms No purchasing or distribution cooperatives for the Franchised Business currently exist

9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure document item
a Site selection and	Sections 7 3, 7 4, 7 5,	Items 8 and 11

acquisition/lease		
b Pre-opening purchases/leases (prepay orders)	Sections 5 6,	Items 5, 6, 7, 8 and 11
c Site Development and other pre-opening requirements	Sections 8 1	Items 5, 7, 8 9 B and 11
d Initial and ongoing training	Sections 3 1 3, 3 1 4, 4 2-i, 12 2 1, 12 2 2, 12 3 3,	Items 6 and 11
e Opening	Section 5 13	Items 8 and 11
f Fees	Sections 5 5, 6 1, 8 4 1, 8 4 2, 9 2, 18 7,	Items 5, 6 and 7
g Compliance with standards/policies-Operating Guidelines-Minimum Turnover-and reporting	Sections 1 1, 2 1 2, 2 1 4, 2 1 9, 2 1 17, 2 1 18, 3 1 2, 3 1 4, 3 1 7, 4 1, 4 2 c, 4 2 g, 4 6, 5 14, 8 1, 8 2, 8 5, 9 1, 9 5, 10, 11 2, 11 3, 12 1, 12 2 1, 12 2 2, 12 2 6, 12 3, 13 1, 13 2 1, 14 1, 14 4 1, 14 4 2, 14 4 3, 15 1 1, 21 3 14, 25 1 3,	Items 8 and 11
h Trademarks & proprietary information	Sections 1 1, 1 2, 1 3, 4 1, 4 2 5 10, 26 E	Items 13 and 14
i Restrictions on products/services offered	Section 14 and Appendix 7	Items 8, 11 and 16
j Warranty and customer service requirements	Section 4 2 c	Item 8
k Territorial development	Sections 5 10 to 5 13 and Appendix 4	Item 11
l On-going product/ service purchases	Sections 14 and Appendix 7	Item 8
m Maintenance appearance remodeling	Section 8	Item 8
n Insurance	Section 16	Items 7 and 8
o Advertising	Section 11 and Appendix 7	Items 5, 6, 7, and 11
p Indemnification-Personal Guaranty-Security Agreement	Sections 5 5 and 5 6 and Acknowledgement	Items 1, 6, 7, 9, 11, 15 and 22 Also Exhibit G
q Owner's participation/ management/ staffing	Section 5 14	Item 15
r Records and reports	Section 15	Items 6, 8 and 11
s Inspections/ Audits	Sections 15 1 3 and 15 3	Item 6
t Transfer	Section 17 1 1, 17 1 3, 21 3 (2),	Items 6 and 17
u Renewal	Section 23	Items 6 and 17
v Post-termination obligations	Sections 21 4, 21 5, 21 6 and 21 7	Item 17
w Non-competition covenants	Sections 19 and 20	Item 18

x Dispute resolution	Section 26	Item 17
y Other	N/A	N/A

B. Opening and Operating Requirements

Minimum Turnover Our Minimum Turnover requirements are provided in Section 10 of the Franchise Agreement

Site Location and Lease Our Site Location and Lease requirements are in Item 11 of this Disclosure Document

10 FINANCING

Neither we nor any affiliate currently offers, directly or indirectly, any financing arrangements to you We are unable to estimate whether you will be able to obtain financing for any part or all of your investment and, if so, the terms of such financing We do not guarantee your note, lease or other obligations We do not have any past or present practice, or any intention, to sell, assign or discount to a third party, in whole or in part, any note, contract or other instrument you execute We do not receive payments directly or indirectly from any person for the placement of financing

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

Except as listed below, BoConcept Franchise, Inc., is not required to provide you with any assistance

__Our Support Services Prior to Opening__ Before you open your Franchised Business, we will

(1) Designate your Territory (Franchise Agreement – Sections 5 10 to 5 13 and Appendix 4) (See Item 12)

(2) Provide an initial training program for the operation of the Franchised Business using the BOCONCEPT® System (Franchise Agreement – Sections 3 1 3, 3 1 4, 4 2 i, 12) (See below)

(3) After you select a site, you must obtain our approval of the site location and the lease The factors which we may (but are not required to) consider for our approval include demographic radius characteristics and growth factors in the area, traffic patterns, ease of access, parking, visibility, allowed signage, competition from other businesses providing similar products and services, the proximity to other businesses, the nature of the businesses in proximity to the proposed site, and other commercial characteristics (including rental obligations and other lease terms for the proposed site) and the size, appearance and other physical characteristics of the proposed site location We recommend that the size of the location be a minimum of 4,500 to 6,000 square feet We approve or disapprove locations or leases by a written notice, which is delivered to you We use our reasonable best efforts to deliver such notification to you within thirty (30) days after the location evaluation or lease information is available If we cannot agree on a site after thirty (30) days from the date of our notice of disapproval, your Franchise Agreement shall automatically terminate and any deposit shall be retained by us You must lease the premises for your location in the form and manner required by us and deliver a copy of the executed lease to us immediately after its execution You must not execute any lease, which has not been approved in writing by us You must not execute or agree to any modification of the lease without our prior approval You must agree that any new, amended, restated, extended or renewed lease for the location will include the above terms and conditions required to be included in a lease for a location If you want to relocate, you must notify us in writing at least sixty (60) days prior to the relocation We reserve the right to refuse to approve a proposed

relocation if we believe that the proposed relocation is for any reason not acceptable to us Our judgment may be based on factors such as the proximity to existing or proposed locations owned by other franchisees or us, the suitability of the proposed facilities, compliance with our then current franchise location requirements, the competitiveness within the market place or other factors Our approval of the location and the lease does not constitute a guaranty or a representation of the likelihood of success of the location or the viability of the lease terms We will not be responsible for the failure of any location approved by us to meet your expectations as to revenue or operational criteria (Franchise Agreement – Section 8 1 and B)

(4) Provide pre-opening and opening supervision and assistance by our personnel at your location (Franchise Agreement –13 1) You will complete New Franchisee Introductory training week prior to your store opening

(5) Provide written specifications for store construction or remodeling and for all required and replacement equipment, inventory and supplies (Franchise Agreement-Section 8 (See item 11 below)

Our Support Services During Operation During the operation of your Franchise Business, we will

(1) Provide you a continuing advisory service by telephone or at our home office concerning the operation of your Franchised Business (Franchise Agreement – Section 4 C)

(2) Furnish you, at your request, additional assistance beyond our standard support (Franchise Agreement – Section 4 D) (See Item 6 above)

(3) Provide you with access to advertising and marketing materials we may develop (Franchise Agreement –Section 11 and Appendix 7) (See Item 6 above and Item 11 below)

Provide you with access during the term of the Franchise Agreement to our online Company Operating Guidelines as available and updated The Company Online Operating Guidelines will contain mandatory and suggested specifications, standards, and operating procedures, which we prescribe from time to time for BOCONCEPT® Franchised Businesses, as well as information relative to other obligations you have in the operation of the Franchised Business Currently there are currently the following tabs (headlines) for PowerBook (Operations Manual)

•Brand & culture
•Sales & service
•Staff management
•Product range
•Marketing & visuals
•Logistic & inventory
•Administration & IT
•Finance & key figures
•Store routines

We will provide you the opportunity to a supervised view of the Operations Manual (BoConcept Manual) before buying the franchise The Company Operations Manual or Operating Guidelines may be modified from time to time to reflect changes in the specifications, standards, operating procedures and other obligations in operating BOCONCEPT® Franchised Businesses (Franchise Agreement –Section 3 1 7 and Appendix 2)

Local Advertising and Promotion You must spend at least a total of eight percent (8%) of your Annual Gross Sales for all National Advertising, Regional and Local advertising and promotion of the Franchised Business and the Marks, each year We may review your books and records from time to time to determine your expenditures for such advertising and promotion If we determine that you have not spent the requisite amount, we may require you to pay such unexpended amounts to us directly

You also agree to list and advertise the Franchised Business in the principal regular (white pages) and classified (yellow pages) telephone directories distributed within your Territory, as are specified by us utilizing our standard forms of listing and advertisements You shall at your expense arrange for the telephone numbers of the Franchised Business to be owned by us but to be billed to you

Before you use them, samples of all local advertising, promotion and public relations materials not prepared or previously approved by us must be submitted to us for approval, which will not be unreasonably withheld If you do not receive written disapproval within ten (10) days after the date of receipt by us of the materials, we shall be deemed to have given approval You may not use any advertising, promotion or public relations materials that we have disapproved

Provided that a majority of the BOCONCEPT® locations in our ad-coverage area agree to participate in the program, you shall participate in and contribute your share to additional advertising and promotional programs in your ad-coverage area The cost of the program shall be allocated among the locations in such area and each location's share shall be in proportion to its sales during the preceding twelve (12)-month period, but the aggregate of such additional contribution during any twelve-month period shall not exceed two percent (2%) of your Gross Sales during said twelve (12)-month period "Ad-coverage area" shall be defined as the area covered by the advertising medium (television, radio or other media) as recognized in the industry At the time a program is submitted, we will submit a list of all operating locations within the ad-coverage area

Websites (as defined below) are deemed "advertising" under the Franchise Agreement, and are strictly prohibited The term "Website" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Franchised Business, the Marks, us and/or the System The term Website includes, but is not limited to the Internet and World Wide Web home pages Franchisees are not allowed to have websites or sell items or engage in e-commerce from any Website There are currently no advertising councils or local or regional advertising cooperatives

Training Program Before the start of your Franchised Business, we will provide initial training on the operation of a BOCONCEPT® Franchised Business to you and your manager You will complete New Franchisee Introductory training week prior to your store opening Although there are no additional fees for this training, you are responsible for all travel and living expenses, which you and any of your employees incur in connection with training You and your manager must complete the training program to our satisfaction If you do not complete the training program to our satisfaction, we can terminate your franchise agreement We encourage you to begin training before incurring any costs or expenses related to the planned opening of the Franchise Business We will not be liable to return any franchise fee or pay any costs or expenses you incur if we terminate your franchise agreement because you do not pass the training program You will participate fully in training as well as continuing franchise/industry seminars conducted in the U S and in Denmark/Europe as determined by us We expect that most of the training will be conducted for you and your employees at your store location, however training may also occasionally occur at our facility in Denmark or in our facility in New Jersey We plan to be flexible in scheduling training to accommodate our personnel, you and your personnel There currently are no fixed (i e , monthly or bimonthly) training schedules The training program will be outlined by the Franchisors' U S Retail organization, supervised by Henrik Eriksen The current individual instructors and subjects taught are

Sales and product. Henrik Eriksen-Subject taught sales training (SA 1)-20 hours], interior decoration (SA 4) 32 hours, Experience 10 years, and

Axapta Maryann Detig-Subject taught how to handle order flow, logistics and accounting in our IT (Axapta) systems 32 hours, Experience 10 years

Visual Merchandising Kalina Todorova-Subject taught Styling & interior decoration, Hours-stylist training for store opening 2-3 hours and yearly stylist training 16 hours, Experience 12 years

Marketing Steen Knigg-Subject taught Implementation of local marketing, 8 hours, Experience 20 years

The hours of training (both classroom and on-the-job) as well as the location may differ for each franchise (based upon the background and experience of each franchisee) and accordingly there is no table regarding training topics/subjects, hours of classroom and on-the-job training and location

In addition to the above training, we provide you pre-opening and opening on-the-job supervision and assistance at your store premises as needed, near the time of the opening of your store

Ongoing Training You must participate, if we require, in up to two weeks per calendar year in refresher training in the operations and marketing of the Franchised Business The refresher training may or may not take place at an annual convention or business meeting of franchisees, which we can require you to attend at your expense each calendar year

TRAINING PROGRAM:

Subject taught	Hours of classroom training	Hours of on the job training	Location
New franchise introductory training-operation of a franchised business	Tailored to the background and experience of individual franchisees	Tailored to the background and experience of individual franchisees	Either at corporate offices or at franchisee's location
Sales training	15-20	5-10	Corporate offices and franchisee's location
Interior decoration	25-30	5-12	Corporate offices and franchisee's location
Product training	8-12	5-10	Corporate offices and franchisee's location
AXAPTA	0	32	Franchisee's location
Visual merchandising/styling	0	16 hours per year	Franchisee's location
Marketing	4-6	2-4	Corporate offices and franchisee's location
Continuing franchise industry seminars Including BoConcept University (see below)	Varies based upon subject matter	Varies based upon subject matter	In the US or in Denmark/Europe

BoConcept University Seminar Overview

Sales Associates

- SA1 Brand & Value/Sales & Service
- SA2 Product Training Basic
- SA3 Product Training News
- SA4 Interior Decoration

Store Mangers

- SM1 The BoConcept Manager
- SM2 Sales Team Management
- SM3 Space Management
- SM4 Recruitment & Retention

SM5 Finance & Key Figures

Computer System You must keep books and business records according to our formats To facilitate your reporting to us and other communications, you must maintain certain systems in operating the Franchised Business We may require from time to time that you use specific computer hardware and software, at your expense You will utilize the accounting program known as AXAPTA Axapta is a live program which you obtain from us and to be used in stores and our offices to manage our inventory, sales and deliveries Axapta is a live system updated on a daily basis There is a onetime initial entrance fee for AXAPTA of $2,023 00, and an AXAPTA User license of $7,689 00 that are both payable to us prior to store opening There is also an annual maintenance fee of $5,909 00 for up to three users and $607 00 per additional users and an annual router fee of $109 00 Targit Reporting has no current entrance fee and the annual maintenance fee is $809 00

These annual fees (plus other annual fees i e BCU, Mystery Shopping, samples, In-Store TV etc ,) are payable to us monthly beginning on the 15th day of the first calendar month after your store opens and by the 15th day of each month thereafter Average store typically has 3 users All store sales must be recorded and reported on the AXAPTA system You are not required to purchase any hardware from us The specific hardware and software minimum requirements are Cisco router from Denmark to get access to Axapta (ordered by IT-servicedesk), Switch 16 or 32 port, standard pc with DVD-RW burner for back-up, MS Office 2003 STD, LCD flatscreen panel monitors, Office fax, copy, printer-HP PCL compatible & Postscript compatible with two papertrays (Whitepaper/confirmations paper), Printer for accessories labels and labels for warehouse location bar codes Zebra TLP 2844-Z (Buy online or find retailer on www zebra com, •Traffic counter, Labels for accessories = Direct 2100 (102mm, 32 x 25mm) - Zebra Item number 800512-105 and Labels for warehouse locations = Direct 2100, premium topcoated direct thermal paper label with permanent adhesive, 102 x 38mm, inner diam 25mm, outer diam 102mm , 960 labels/roll, 12 rolls/box, Norton or McAfee Antivirus/Security suite-Keyboard & Mouse, and X number of netcables RJ45 (CAT 5) for everything stated above Cash computer for one-1 receipt printers (Should be Epson TM-T88II, TM-T88III, TM-T88IV) One of the following drivers has to be used EPSON TM-T88III Partial cut, EPSON TM-T88III Receipt 3, EPSON TM-T88II Partial cut, EPSON TM-T88IV Receipt, 1 Cash Drawers with connection to Epson Receipt printer, LCD flatscreen panel, Standard PC in mini cabinet with keyboard and mouse, 1 Barcode scanner supporting EAN13, MS Office 2003 STD if using priceIT, Antivirus/Security suite, Counter printer-HP PCL compatible or Postscript compatible-two papertrays (whitepaper/confirmation paper), 1 netcable RJ45 (CAT 5) for PC and 1 netcable RJ45 (CAT 5) for printer

Telephone requirements are 1 cable per phone, Normal phone=Normal phonecable, IP-phone=Netcable RJ45 (CAT 5), 1 cable per card-terminal-If card-terminal requires phone-connection=Normal phonecable-If card-terminal requires network-connection=Netcable RJ45 (CAT 5)-No cable required for wireless card-terminal

Additional specifications can be obtained from our accounting department at (201) 433-4461 We may have independent access to the information and data you maintain, and there are not contractual limitations on our right to access the information and data We may change the accounting system software at any time at our sole discretion and you shall be responsible for all transfer and initial set-up costs We are not obligated to repair the hardware or software and have no obligation to provide maintenance, repairs, upgrades or updates We recommend that you obtain a maintenance contract with a reputable organization for our computer hardware and software You may be required to upgrade or update any computer hardware or software program during the term of the Franchise Agreement, at your expense There are no contractual limitations on the frequency or costs associated with this obligation

Time Until Commerce Operation Some of the factors affecting this length of time include obtaining a satisfactory site, negotiating a lease, your financing arrangements, completion of leasehold improvements, delivery and installation of equipment and signage, inventory placement, employee hiring and training, and your own timetable You are required to commence operating the BOCONCEPT® store within two hundred seventy-five (275) days after the Effective Date of the Franchise Agreement, otherwise the Franchise Agreement shall automatically terminate (Franchise Agreement–Section 21 3 2) We shall have no obligation to refund any portion of the initial franchise fee

Construction of the Location You must promptly after obtaining possession of the site for the Franchised Business (i) submit for approval by us a site survey and any modifications to our basic plans and specifications (not for construction) for a typical Franchised Business (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for the development of the Franchised Business at the site leased or purchased, provided that you may modify our basic plans and specifications only to the extent required to comply with all applicable ordinance, building codes and permit requirements and with prior notification to and approval by us (such approval shall not be construed as a guarantee or representation concerning the likelihood of success of such location), (ii) obtain all required zoning changes, building, utility, health, sanitation and sign permits and licenses and any other required permits and licenses, (iii) purchase or lease equipment, fixtures, furniture and signs provided herein, (iv) complete the construction and/or remodeling, equipment, furniture and sign installation and decorating of the Franchised Business in full and strict compliance with plans and specifications theretofore approved by us and all applicable ordinances, building codes and permit requirements, (v) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services, (vi) purchase in accordance with our specifications and requirements an opening inventory of products and supplies required for the Franchised Business (however we shall not be liable for your choices of inventory purchases), (vii) establish filing, accounting and inventory control systems conforming to the requirements presented by us, and (viii) otherwise complete the development of and have the Franchised Business ready to open and commence the conduct of its business in accordance with the terms of the Franchise Agreement

Conduct the Franchised Business According to System Standards-BoConcept Manual You must conduct the Franchised Business offering only such products as we authorize from time to time In the development and operation of the Franchised Business you must follow our specifications, standards, methods and operating procedures (the "System Standards") You must develop and operate the Franchised Business in accordance with each and every System Standard, as periodically modified or supplemented by us, including without limitation the BoConcept Manual, Appendix 2 System Standards may govern all aspects of the development and operation of the Franchised Business, including without limitation, the following (1) performance, quality and other relevant characteristics of the services and products offered by the Franchised Business, (2) use of the Marks and protection of confidential information, (3) types of authorized equipment, supplies and products, (4) designated and approved suppliers, (5) minimum hours of operation, (6) participation in market research and testing and product and service development programs prescribed by us, (7) qualifications, training, appearance and attitude of the Franchised Business' employees, (8) use and retention of standard forms, (9) use of standard formats, (10) use of computer software/AXAPTA, (11) adoption of technological developments or advances, (12) suppliers of inventory(13) warranty work for customers, and (14) the addition or deletion of new products and/or services You shall bear all costs and expenses pertaining to the development, operation, and maintenance of the Franchised Business and your compliance with the System Standards as periodically modified or supplemented by us

Operate in Compliance with Law and Company Operating Guidelines You must operate the Franchised Business in compliance with applicable laws and governmental regulations, including without limitation, government regulations, relating to occupational hazards, ADA, health, worker's compensation and unemployment insurance, immigration and the withholding and payment of federal and state income taxes, social security taxes and sales and service taxes You must obtain at your expense, and keep in force, and permits, licenses or other consents required for the leasing, construction or operation of your Franchised Business In addition, you shall operate your Franchised Business in accordance with guidelines currently accessed in the BOCONCEPT

PowerBook and BOCONCEPT Intranet ("Company Operating Guidelines" and also sometimes "BoConcept Manual"), which may be amended from time to time as a result of experience, changes in the law or changes in the marketplace You must conform to such amendments, and make all reasonable expenditures necessitated by the amendments, within the time periods reasonably established by us The Company Operating Guidelines are intended to further the purposes of the Franchise Agreement and is specifically incorporated into the Franchise Agreement such that they shall constitute provisions of the Franchise Agreement as if fully set forth therein You shall not copy any part of the Company Operating Guidelines, permit any part of it to be copied, allow any portion to be used by anyone other than you, or disclose it or allow access to anyone not having a need to know the contents for purposes of operating the Franchised Business without our permission You shall refrain from conducting any business or selling any services or products other than those approved by us You must use your best efforts to promote and enhance the business of the Franchised Business for the full term of the Franchise Agreement We may operate for the benefit of franchisees that are in compliance with the franchise system a system of fines, which you would pay for violations of some policies of the Company Operating Guidelines For example, if your employees do not wear the proper attire, then you would pay a fine There is currently no system of fines and if one is adopted, it would be described and updated in the Company Operating Guidelines We reserve the right to utilize the electronic funds transfer system to implement the operations fine system when implemented

12. TERRITORY

You receive a franchise for a specific location in a Territory, as defined in Appendix 3 to your Franchise Agreement and which shall be designated, measured and defined by either zip codes, population size, actual legal boundaries and/or a map attached as an additional Exhibit to your Agreement, which would be in effect at the time you sign and during the term of your Franchise Agreement The form of measurement Franchisor shall utilize for your Territory will depend upon each particular geographic location and its population, demographics and proximity to existing franchises, Franchisor company outlets or customers You are prohibited from selling products or services by the Internet or by mail order or catalog We will not, so long as the Franchise Agreement is in force and effect and you are not in default under any of the terms, enfranchise or operate any other BOCONCEPT® full store location within the Territory However, we may sell products to other retailers without your permission We may also enfranchise or operate any other BOCONCEPT® location anywhere else, outside your Territory without offering you a right of first refusal We are allowed to operate and enfranchise anywhere any business under different trademarks (including in your Territory) and shall be allowed to conduct anywhere any business using the marks or System on the Internet or by any other channel of distribution (including in your Territory)

Subject to the terms in the above paragraph, we grant you the conditional exclusive right as specifically described above within the Territory on the conditions that you break-even (have positive cash flow) during any consecutive six (6) month period after your first year of operation If you fail to satisfy any term or provision of your franchise agreement during any year, we have the right but not the obligation to (i) terminate your franchise agreement or (ii) eliminate the conditional exclusivity of your right to operate BOCONCEPT® store within the Territory during the franchise agreement's remaining term, in which case we or our affiliates may operate, or allow one or more franchisees to operate, a BOCONCEPT® store within the Territory

Except as described above, your conditional territorial exclusivity will not depend on achievement of a certain sales volume, market penetration or other contingency

13 TRADEMARKS

BOCONCEPT® Service Marks The principal trademarks to be licensed to you are "BOCONCEPT®" The rights to the U S trademark are owned by our affiliate BoConcept A/S and we are authorized to license the name The trademark has been registered on the principal register of the United States Patent and Trademark Office on December 25, 2007 as number 3360070 and all filings and affidavits are up to date By having a Principal Register federal registration for BOCONCEPT®, we have certain presumptive legal rights granted by a registration There are no currently effective material determinations of the U S Patent and Trademark Office, Trademark Trial Appeal Board, the trademark administrator of any state or any court There is no pending infringement, opposition or cancellation action, nor any pending material litigation involving the principal trademark There are no agreements currently in effect which significantly limit our right to use or license the use of the principal trademark in any manner material to the franchise

Use of Service Mark You must use the Marks as the sole identification of the Franchised Business, provided that you must identify yourself as the independent owner of the Franchised Business in the manner we prescribe You may 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 from, nor may you use any Mark in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by us You must prominently display the Marks on or in connection with, signs, posters, displays, service contracts, stationery, and other forms we designate You shall not use our name or mark nor shall you utilize any alternative medium of advertising such as a web-site or internet whatsoever We reserve the right to utilize and license any such alternative source of advertising or medium You must, in the manner we prescribe, give such notices of trademark and service mark registrations and copyrights as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law All bank accounts, licenses, permits or other similar documents shall contain the actual name of the person or entity owning the Franchised Business and may contain "d/b/a BOCONCEPT®"

Infringements You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim We and our affiliates will have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or U S Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark We shall take all necessary actions deemed solely by us that are necessary to maintain and protect the BOCONCEPT®" name and mark You agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of our or our affiliates' counsel, be necessary or advisable to protect and maintain our interests in any such litigation or U S Patent and Trademark Office or other proceeding or to otherwise protect and maintain our interests in the Marks

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade or service marks, you agree to comply with our instructions within a reasonable time after notice thereof by us, and our sole obligation in any such event will be to reimburse you for your out-of-pocket costs of complying with this obligation

We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark, pursuant to and in compliance with the Franchise Agreement, is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceeding in which you are named as a party, provided that you have timely notified us of such claim or proceeding and have otherwise complied with the Franchise Agreement We, in our discretion, will be entitled to defend any proceeding arising out of your use of any Mark pursuant to this Franchise Agreement, and, if we undertake the defense of such proceeding, we will have no obligation to indemnify or reimburse you for any fees or disbursements of counsel you retain We do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademark

14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or registered copyrights are material to the franchise and no patent applications material to this franchise have been made or are pending We and our affiliates claim copyright protection of our Company Operating Guidelines and related materials although these materials have not been registered with the United States Registrar of Copyrights The Company Operating Guidelines and related materials are considered proprietary and confidential and are considered the property of us and our affiliates and may be used by you only as provided in the Franchise Agreement You may not use our confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others

You will be entitled to use of the copyrighted and certain proprietary materials during the term of the franchise There are no infringing uses known to us or our affiliate, which would affect your use of the proprietary and/or copyrighted materials There are no agreements in effect that significantly limit our rights to use or license the use of the copyrighted or proprietary materials There is no provision in the Franchise Agreement specifically obligating us to protect your rights to use of the proprietary or copyrighted materials, but we will respond to this information as we deem appropriate

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

We recommend, but do not require, that you participate personally in the direct operation of the Franchised Business If you do not personally supervise the operation of the Franchised Business, then you must employ a manager to assist you or your managing shareholder or partner in operating the Franchised Business All managers must complete the initial training program to our satisfaction and sign a confidentiality and non-competition agreement in the form we prescribe The manager need not have an ownership interest in the entity owning the franchise

Each individual who owns any interest in the franchise entity and their spouse must sign an agreement assuming and agreeing personally to discharge all obligations of the Franchisee under the Franchise Agreement Section 5 and Guaranty (the Personal Guaranty)

16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you offer and sell only those goods, which we have provided and sell to you We have the right to add additional authorized goods There are no specific limitations in the Franchise Agreement on this right See Section 14 and Appendix 7 and Items 8, 9 and 12 There are no restrictions regarding customers to whom you may sell goods as long as within your Territory and not VIA internet or other alternative means of communication Franchisor is allowed to set minimum and maximum prices for goods sold by you and currently does so

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 Agreement	Summary

a Length of the franchise term	Section 21 1	5 years
b Renewal or extension of the term	Section 6	If you have substantially complied with the Franchise Agreement, you can renew for one additional 5-year term
c Requirements for you to renew or extend	Section 23	You must timely send written notice of intent to renew, sign new franchise agreement and release, and refurbish or remodel the premises, and replace the vehicles and equipment to be in compliance with standards
d Termination by you	Section 21 2	If we breach a material provision of the Franchise Agreement & do not cure within a reasonable time, which shall be no less than 90 days, after your notice to us, you may terminate 10 days after delivery of notice of termination
e Termination by us without cause (Not Applicable)	None	---
f Termination by us with cause	Section 21 3	We can terminate only if you commit any one of several listed violations
g "Cause" defined - defaults which can be cured	Sections 21 3	You have 10 days to cure for non-payment of sums to us, affiliates or suppliers, 30 days for failure to submit reports, financial data and all other curable breaches of the Franchise Agreement or Company Operating Guidelines or other operational memoranda or use of bad faith in carrying out terms of these franchise provisions We may withhold shipments on any payment late more than 7 days
h "Cause" defined - noncurable defaults	Section 21 3	Non-curable defaults Failure to pay any past due amounts due us or others after 10 days' notice, failure to pass the training program, failure to commence operating the BOCONCEPT® store within 275 days after the date of the franchise agreement, failure to properly operate the BoConcept® system according to the BoConcept® Company Operating Guidelines, failure to strictly adhere to Store Development Plan and timetable, bankruptcy /insolvency-may not be enforceable under current bankruptcy laws, abandonment, termination of lease, under-reporting Gross Sales twice in a 2 year period, conviction of a felony, impairment of Marks or System, lose business license, unsafe business operation, unauthorized transfer, breach of other agreements with us or our affiliates, and repeated non-sufficient funds checks or defaults even if cured
i Your obligations on termination/non-renewal	Section 25	Pay all amounts owed, return the Software Program & return or destroy all other materials, stop using Marks, System & confidential information, de-identify yourself from us, cancel assumed names, return to us any BOCONCEPT® signs, provide us with the names, addresses & telephone numbers of all customers, assign to us your telephone and facsimile numbers, & e-mail and internet addresses, websites, domain names & search engine identifiers, adhere to non-competition provisions (also see r, below)
j Assignment of Franchise Agreement by us	Section 18 1	No restriction on our right to assign

k "Transfer" by you - definition	Section 18 2	Includes any type of transfer of the Franchise Agreement or assets or any ownership change
l Our approval of transfer by you	Section 8 B	You shall obtain our prior approval of all transfers but will not unreasonably withhold approval
m Conditions for our approval of transfer	Sections 18 2, 18 3, and 18 4	Transferee qualifies, all amounts due are paid in full, you are not in default, transferee complies with training requirement, transferee has received required disclosure documents, then current form of Franchise Agreement signed, transferee assumes remaining obligations under your agreements, transfer fee paid, assets have been refurbished, remodeled or replaced, lessor consent to lease assignment, general releases signed, guaranty of performance may be required, and right of first refusal declined by us (also see r)
n Our right of first refusal to acquire your business	Section 18 4	We can match any offer for your business, except broker's fees are excluded Cash may be substituted for any form of payment proposed
o Our option to purchase your business	Section 21 8	Option to purchase some or all equipment, supplies, inventory, advertising materials & any items with our logo, for cash at fair market value, exercisable up to 90 days after termination or expiration If no agreement on fair market value, an appraiser appointed by us will decide
p Your death or disability	N/A	N/A
q Non-competition covenants during the term of the franchise	Section 19	No involvement in any business offering products similar or in direct competition with those offered us or an organization franchising a similar business, unless pre-approved by us
r Non-competition covenants after the franchise is terminated or expires	N/A	N/A
s Modification of the Agreement	Sections 27 3 and 33	Modification by written agreement signed by you and us The Company Operating Guidelines can be revised and modified
t Integration/Merger clause	Section 27 2	Only the terms of the Franchise Agreement and any other related written agreements are binding (subject to applicable 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 26	Except for certain claims, all disputes must be arbitrated in the city where our headquarters is located when the proceedings are conducted
v Choice of forum	Sections 5 5 and 26	Court litigation must be in any Kansas state court of general jurisdiction or a federal court for Kansas City, Kansas Unless required by your state (Ill CA)
w Choice of law	Section 26	Kansas law applies Unless required by your state(Ill CA)

The foregoing Choice of Law should not be considered a waiver of any right conferred upon franchiser or the franchisee by the general Business Law of the State of New York, Article 33

18. **PUBLIC FIGURES** We do not currently use any public figure to promote our franchise

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 reasonable basis and written substantiation for the information, and if the information is included in the disclosure document Financial information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example by providing information about possible performance at a particular location or under particular circumstances

We may provide actual sales, costs, income or profits of existing stores as provided to us by our franchisees via their Point of Sale systems and none of the information has been generated by us Any business models, templates or other financial information we produce are merely estimates, with certain sales, purchases, costs, turnover, income, margin and profit and other projections which are only hypothetical estimates (even if referred to as average or normal) and are no guarantee whatsoever of the performance of any potential store to be owned, opened or operated by you or any potential franchisee (and will be clearly marked as such) However, we will have a reasonable basis for and written substantiation of any such representations/estimates at the time of any such representation

We may provide a budget template format (Exhibit "H") with certain sales, costs, income and profit projections which shall only include figures supplied by Franchisee, we do not provide any figures and make no representations regarding same All final or preliminary opening and operating budgets and estimates of projected sales, costs, income or profits are submitted to us by Franchisee and are 100% generated and projected by Franchisee Any discussion with us or our representatives or any information whatsoever provided by us or our representatives concerning any potential store's financial performance, including but not limited to projected sales, costs, income or profits are all 100% hypothetical illustrations and Franchisee should understand that they are in no way any guarantee whatsoever of the performance of any potential store to be opened, owned or operated by Franchisee and Franchisee should in no way rely thereon Actual results may vary from unit to unit, and we cannot estimate the results of any particular franchise Franchisor does not create any financial performance projections and all information is provided by existing franchisees and Franchisor retains a copy of each franchisee's financial information as written substantiation

Other than the preceding financial performance representation, BoConcept Franchise, Inc does not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mark Arensberg PO Box 7646, Overland Park, Kansas 66207, (913)-648-3220, the Federal Trade Commission, and the appropriate state regulatory agencies

20 (US) OUTLETS AND FRANCHISE INFORMATION

Table 1-SYSTEM WIDE OUTLET SUMMARY FOR YEARS 2014, 2015, 2016

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2015 2016 2017	25 23 21	21 23 13	-4 -2 -8
Company Owned	2015 2016 2017	2 2 2	2 2 1	0 0 -1
Total Outlets	2015 2016 2017	27 25 25	25 25 14	-2 0 -11

Table 2-TRANSFERS OF FRANCHISED OUTLETS FROM FRANCHISEES TO NEW OWNERS OTHER THAN THE FRANCHISOR (For Years 2015, 2016 and 2017)

Column 1 State	Column 2 YEAR	Column 3 Number of Transfers
N/A	2013	0
N/A	2014 2015	0 0
Total	2013 2014 2015	0 0 0

Table 3-STATUS OF FRANCHISE OUTLETS FOR YEARS 2015, 2016 and 2017

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations-Other Reasons	Col 9 Outlets at End of Year
California	2013 2014 2015	3 3 4	0 1 0	0 0 0	0 0 0	0 0 0	0 0 1	3 4 3
Conn	2013 2014 2015	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0

Florida	2013	1	0	0	0	0	0	1
	2014	1	1	0	0	0	0	2
	2014	2	0	0	0	0	0	2
Hawaii	2013	1	0	0	1	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Illinois	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
Mass	2013	1	0	0	0	0	0	1
	2014	0	0	0	0	0	0	1
	2015	0	0	0	0	0	0	1
New Jersey	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Penn	2013	1	1	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
New York	2013	7	1	0	0	0	0	8
	2014	8	1	0	0	0	1	8
	2015	8	0	0	0	0	1	7
Michigan	2013	0	1	0	0	0	0	1
	2014	0	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Texas	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	1	2
	2015	2	0	0	0	0	1	1
Washington State	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Total	2013	21	2	0	0	0	0	21
	2014	21	4	0	0	0	0	25
	2015	25	0	0	0	0	4	21

Table 4-STATUS OF COMPANY OWNED OUTLETS FOR YEARS 2015, 2016 and 2017

	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Reacquired from Franchisees	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisees	Col 8 Outlets at End of Year
VA	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	1	0	0
DC	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
MA	2013	1	0	0	0	0	1
	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
Penn	2013	1	0	0	0	1	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0

Total	2013 2014 2015	4 2 2	0 0 0	0 0 0	0 0 0	2 0 1	2 2 1

Table 5-PROJECTED OPENINGS AS OF January 1, 2018

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company owned Outlets in the Current Fiscal year
CA FL Minn	1 0 1	0 1 0	0 0 0
Total	2	1	0

Except as specified herein, no other franchisees ceased doing business or were cancelled, terminated or not renewed during fiscal 2017 or through January 1, 2018 or failed to communicate with us within 10 weeks of the application date All information in Item 20 specified as for 2015 is for fiscal year end 2016 (April 30, 2017 and updated through January 1, 2018), and none of the information in any of Tables 1-5 has changed through January 1, 2018 We do not sponsor any trademark specific franchisee association and none has requested to be included in our Franchise Disclosure Document

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system In some instances, current and former potential franchisees may sign a confidentiality agreement prior to receiving information about this franchise, however they are not later prohibited from disclosing information to potential franchisees and if you wish to speak with current and former franchisees they should be able to communicate with you

21. FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our audited financial statements dated as of April 30, 2015, April 30, 2016 and April 30, 2017 and Unaudited but verified-internal Income Statement and Balance Sheet updated through January 1, 2018 THE UPDATED VERIFIED FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM

22 CONTRACTS

The Franchise Agreement is attached to this Disclosure Document as Exhibit B which includes a Security Agreement and Personal Guaranty

23 RECEIPT-The last page of the Disclosure Document is a detachable document acknowledging receipt of the Disclosure Document

Exhibit A Audited financial Statements from 4-30-15 through 4-30-17 and Unaudited-internal Income Statement and Balance Sheet updated as of January 1, 2018, (attached)

Exhibit B	Franchise Agreement (attached)-with Appendices 2, 3, 4, 6 & 7*
Exhibit C	List of State Administrators (attached)
Exhibit D	Letter of Intent (attached is applicable)
Exhibit E	Listing and contact information of current franchisees (attached)
Exhibit F	State addendum to Franchise Disclosure Document and/or Franchise Agreement (California, IWashington State)
Exhibit G	Separate Security Agreement
Exhibit H	Budget template (optional)

*APPENDICES TO FRANCHISE AGREEMENT

Appendix	2-MANUAL
Appendix	3-TERRITORY
Appendix	4-DEVELOPMENT PLAN
Appendix	6-HOME PAGES (Internet Sales)
Appendix	7-SUPPLY AGREEMENT

EXHIBIT "B"

FRANCHISE AGREEMENT

Store Location ______________________
(Insert Address)

Between

BoConcept Franchise, Inc
142A LeFante Way
Bayonne, NJ 07002
(hereinafter referred to as "BoConcept")

and

____

____

Address ______________________
Postal code, town ____________________
Reg no xxx
(hereinafter referred to as "**the Franchisee**")

(Jointly referred to as "the Parties")

the following Franchise Agreement has been entered into to be effective as of________, the "**Effective Date**"

Issue Date January 1, 2018

Table of Contents

1 Recitals

1 1 BoConcept has invested considerable resources in the development and acquisition of knowledge and know-how on the proper operation of a BoConcept retail store in relation to distribution and sale of the BoConcept "Concept" as described in the BoConcept Manual, including but not limited to the BoConcept Power Book and other tools, developed and updated by BoConcept, and for which BoConcept has worked up a steadily growing demand and clientele based on the good reputation and goodwill enjoyed by the name BoConcept and the associated trademark (hereinafter referred to as "the Trademark")

1 2 As an affiliate of BoConcept, A/S of Denmark, has the exclusive, irrevocable right to grant licenses in respect of the Trademark, which is registered as a trademark in the Territory

1 3 BoConcept is a successful business model with a well-developed concept and brand with stores operating in many countries The methods for distribution, sale, establishment and operation of Brand Stores as well as sales promotion and marketing activities used together with or in connection with sale of furniture and other effects for the fitting up of private homes under the Trademark are trade secrets belonging entirely to BoConcept and its affiliates

1 4 The Concept is based on certain key provisions including (1) the offering of a wide range of high quality, lifestyle products at affordable prices, (2) a strong brand and business characteristic, (3) a professional sales and marketing program delivered by well-trained staff, (4) well-situated and well-fitted premises and (5) personal customer advice provided with a high level of service

1 5 It is the aim of both Parties in entering into this Agreement to maintain and develop the reputation, market position, profile and earning potential of the BoConcept brand

1 6 This first agreement, which the Parties enter into shall among other matters include specification of the Territory and a Development Plan according to which the Parties shall develop the BoConcept Business in the Territory This first franchise agreement shall serve as the Parties' Main Agreement and Franchisee shall sign a new separate franchise agreement and pay an additional Franchisee Fee for each additional location and the terms of such additional franchise agreements may vary

1 7 By Signing the present Franchise Agreement, the Franchisee declares to have received at least fourteen (14) days prior to signing this Agreement, the BoConcept Franchise Disclosure Document and all Exhibits including all financial and commercial information necessary to make its decision concerning the franchise and to enter into the present Franchise Agreement

IT IS AGREED AS FOLLOWS

2 Definitions

2 1 In addition to more specific definitions contained within certain clauses of this Agreement, the below terms and phrases shall have the following meaning

2 1 1 **Affiliate** or Affiliates of BoConcept Franchise shall include but not be limited to BoConcept, USA, Inc , and BoConcept, A/S of Denmark

2 1 2 **BoConcept Manual** includes a description of the Concept and the material available at any time for the use of the Parties, which is prepared by BoConcept and important for the Concept and the operation of the Brand Store, including but not limited to the BoConcept Power Book etc and may be amended without notice by BoConcept from time to time

2 1 3 **BoConcept** means the franchisor, a company incorporated under the laws of the State of Kansas, and whose registered office is situated at 142A LeFante Way, Bayonne, NJ 07002

2 1 4 **Brand Store** means a store operated (1) using the Concept and (2) under the BoConcept name, brand and trademark in accordance with this Agreement and the BoConcept Manual as well as BoConcept's directions and instructions

2 1 5 **Calendar** All references to dates and/or periods of time shall be according to the Gregorian Calendar **Calendar days** means all days of each week, month and year (including all Saturdays, Sundays and all holidays) **Working or Business days** means all days of each week, month and year EXCEPT Saturdays, Sundays and all recognized national legal holidays Unless specified otherwise, all references herein to "**days**" shall mean calendar days

2 1 6 **Concept** is specified in clause 3

2 1 7 **Confidential Information** means the considerable proprietary, confidential information and materials and know-how regarding the Concept and BoConcept's systems and methods of business, cf clause 20

2 1 8 **Effective Date** means the date this Agreement becomes enforceable against the parties, as opposed to the Issue Date, which is the date of this version of the Franchise Agreement

2 1 9 **Franchise Agreement** or the **Agreement** means this franchise Agreement and related appendices between BoConcept and the Franchisee and the BoConcept Manual

2 1 10 **Franchisee** is the legal entity specified on page 1 of this Agreement, cf Appendix 1

2 1 11 **IT Application** means the IT equipment specified in clause 9

2 1 12 **Main Agreement** means the first Franchise Agreement entered into between the Parties regarding the Territory

2 1 13 **Owner** means the natural person(s) ultimately owning the Franchisee either directly or through one or more holding companies or other legal entities

2 1 14 **Place of Business** is specified in clause 4 1

2 1 15 **Products** are specified in clause 14

2 1 16 **Right of Operation** means the rights obtained by the Franchisee based on this Agreement, in particular those set out at clause 4

2 1 17 **Shop Fixtures** mean the furnishings, fixtures and fittings designated by BoConcept at any time in accordance with the BoConcept Manual

2 1 18 **Store Assessment Report** means the report made by the Retail Account Manager in connection with the Retail Account Manager's visit to the Brand Store, cf clause 13 1, with the layout, etc following from the BoConcept Manual in force at any time

2 1 19 **Subsequent Agreement** means any subsequent Franchise Agreement entered into between the Parties subsequent to the Main Agreement

2 1 20 **Term** is specified in clause 21 1

2 1 21 **Territory** is specified in clause 5 10

3 The Concept

3 1 The BoConcept concept (the Concept) includes (but is not limited to) the following

3 1 1 The name "BoConcept" used on its own or in connection with other names as a brand, trade mark, company name or in any other way as an identifying characteristic of a business,

3 1 2 Selection and provision of products, accessories and spare parts included in the BoConcept Manual,

3 1 3 Training programs and courses provided before the opening of the Brand Store as well as continuing further training thereafter,

3 1 4 The BoConcept Manual, business descriptions, instructions and guidelines, product descriptions, sales tools, training material, IT Application and descriptions regarding business organization and Shop Fixtures prescribed by BoConcept at any time,

3 1 5 Brochures, signs, advertisements, exhibition equipment, logos, slogans, price lists and other sales and marketing materials,

3 1 6 Interior and exterior design and decoration (including Shop Fixtures) of the Brand Store,

3 1 7 The Concept is described in more detail in the BoConcept Manual issued by BoConcept which is a tool for BoConcept in its efforts to ensure that the Brand Stores are run/operated as well as possible and in line with the Concept The Concept and the BoConcept Manual are developed continually by BoConcept and may be amended by BoConcept from time to time

The BoConcept Manual is available partly in a hard copy version, which shall be provided upon execution of this Agreement, and partly in electronic format available via the intranet system developed by BoConcept The contents of the BoConcept Manual are listed in the attached table of contents, cf Appendix 2 The Franchisee shall be provided with a password for the intranet system, enabling access of the full BoConcept Manual BoConcept will continually provide the Franchisee changes and updates to the BoConcept Manual, electronically via e-mail, via an intranet page or in paper format or otherwise It is then the obligation of the Franchisee to continually stay informed of changes to the BoConcept Manual and to ensure that it is observed by everybody associated with the Brand Store

3 2 The Franchisee acknowledges that all rights of ownership and of disposal, etc , regarding the Concept and the rights attached thereto or derived there from, including intellectual property rights, as well as any goodwill attached to the "BoConcept" brand and the Concept, shall at all times solely belong to BoConcept Thus, the Franchisee shall not be entitled in any way to dispose of the Concept etc to any third party, and the Franchisee can and shall solely be entitled to use the Concept within the framework of the Agreement and only for as long as the Agreement shall apply The Franchisee further accepts that any improvement or development related to the Concept and the rights attached thereto or derived there from, including intellectual property rights, and developed by the Franchisee shall be disclosed, provided and assigned free of charge to BoConcept which may in turn pass it on to other franchisees

3 3 The Franchisee agrees to cooperate with BoConcept and assist BoConcept in protecting and defending BoConcept's intellectual property rights and undertakes to promptly notify BoConcept in writing of any infringements, claims or actions by others in violation of its intellectual property rights, provided always that BoConcept has the exclusive right to determine whether any actions shall be taken on account of such infringement, claim or action The Franchisee shall not take any action on account of any such infringement, claim or action without the prior written consent of BoConcept

4 The Franchisee's Right of Operation

4 1 Within the framework of the Agreement and for as long as it shall apply, BoConcept hereby grants the Franchisee a right and a duty (Right of Operation) to operate and/or run the Brand Store at the premises situated at **[INSERT ADDRESS]** (the Place of Business) on the below terms, including

- a The right and the duty to operate, at the Place of Business, a Brand Store in accordance with the Concept,
- b The right and duty to use the trademarks, signs, advertising names and other business characteristics related to the operation of a Brand Store according to the system of BoConcept,
- c The right to use BoConcept's secret know-how and Confidential Information in relation to the operation of a Brand Store,
- d The right and duty to equip the Brand Store according to the BoConcept Manual,
- e The right and duty, as part of the running of the Brand Store, to use Shop Fixtures, installations, etc described in the BoConcept Manual

4 2 The Franchisee acknowledges and understands that a key element of the Concept and BoConcept brand development is the consistent operation and management of all Brand Stores in line with the Concept In line with this understanding, the Franchisee expressly warrants and agrees to operate its franchise in line with the Concept, including strict and timely adherence to all of the following key obligations

- a That the Franchisee or Franchisee's employees shall attend events, exhibitions, etc , as instructed and prescribed by BoConcept,
- b That the Franchisee is obligated free of charge to provide BoConcept with any information BoConcept shall request regarding the Franchisee or the Brand Stores,
- c That the Franchisee shall use best endeavours to ensure and maintain the good image and reputation of BoConcept and thus shall remedy any errors and/or shortages made to customers and redeliver defective products, handle warranty claims or alternatively arrange for a refund of the purchase amount to the customer in accordance with the stipulations contained in the BoConcept Manual or elsewhere in this respect,

d That subject to any overriding requirements of official directions, orders or regulations the Franchisee shall only use the store layout plans and specifications, building and room organization, design, operating equipment, fittings, trademarks and other business characteristics and other types of marketing material in connection with the Franchisee's

e BoConcept business as prescribed and pre-approved in writing by BoConcept,

f That the Franchisee shall offer for sale in the Brand Store and the thereto connected internet shop only such Products, accessories and other goods stipulated in writing by BoConcept,

g That the Franchisee shall only sell the Products from the Brand Store and the internet shop connected thereto, cf Appendix 6

h That the Franchisee shall run/operate the Brand Store in accordance with the system of BoConcept and strictly observing BoConcept 's instructions and principles as they are presented, for example in the BoConcept Manual or elsewhere,

i That the Franchisee shall use the IT Application software prescribed by BoConcept and be free to use any IT hardware, which is fully compatible and capable of running the IT Application software prescribed by BoConcept in connection with the Franchisee's BoConcept business,

j That the Franchisee and the Franchisee's employees shall attend any training, courses or marketing activities organised by BoConcept as may be required at the sole discretion of BoConcept, cf clause 12 3,

k That the Franchisee pays all suppliers for deliveries in accordance with the agreed terms of payment,

l That the Franchisee does not in any way change, replace, cover up or remove displays or labels on/from the Products

4 3 The Franchisee shall make every effort to establish, maintain and increase the Brand Store's turnover and shall ensure at all times that sufficient order volumes and stocks and operating capital are available to meet the demand from the customers and fund operations

4 4 The Right of Operation shall entitle and obligate the Franchisee to use the Concept on condition that the Franchisee exercises the Right of Operation in good faith and in accordance with the Concept in every respect In case of doubts regarding the Franchisee's obligations under the Agreement or the Concept, the Franchisee shall contact BoConcept in writing to request more detailed instructions and BoConcept's interpretation or clarification shall be final

4 5 The Franchisee acknowledges that the protection and development of the BoConcept brand and reputation is of key importance to the Franchisee and BoConcept Therefore, the Franchisee agrees to (1) inform BoConcept about any written complaints received about the Franchisee's business activities from any interested party whatsoever, (2) provide, without request, BoConcept with copies of the written complaints, articles, legal papers, etc and (3) keep BoConcept informed about the progress of any such complaints Ordinary customer complaints received by the Brand Store shall be exempt from this rule unless the customer has or taken any legal action or instructed its lawyer to attend to the matter

4 6 The language of communication between the Parties shall be the English language On its own account the Franchisee can translate all BoConcept's material, including the BoConcept Manual and marketing material, etc into the languages spoken within the Territory covered by this Agreement The Franchisee shall review all BoConcept's material, including the BoConcept Manual, and propose adaptation hereof to local conditions existing in the Territory covered by this Agreement The Franchisee may, however, only make such adaptations and deviations from the Concept if BoConcept previously has approved them in writing The Franchisee must speak and write English fluently In the event of any conflict between the text of this Franchise Agreement or any other documents generated by BoConcept which are translated by the Franchisee into the language or languages of the Territory and the English version thereof, the English version provided by BoConcept shall always prevail

5 The legal position of the Franchisee-Guaranty-Security

5 1 The Franchisee shall not use or register the word "BoConcept" or any Product names or any similar words, designs, symbols, marks or variations whatsoever, including without limitation as part of any corporate or other entity name or domain or registry whatsoever

5 2 The Franchisee shall operate its BoConcept business as an independent entity, legally and financially separate and distinct from BoConcept and Franchisee is an independent contractor and shall never represent itself otherwise to any third party whatsoever

5 3 Nothing in this Agreement shall grant the Franchisee the right to act as an agent or on behalf of or in any other way bind BoConcept legally and/or financially

5 4 BoConcept cannot be held liable or jointly and/or severally liable for the Franchisee's exercising of the Right of Operation or be obligated to contribute financially thereto unless otherwise specified in this Agreement

5 5 The Franchisee or, if the Franchisee is a corporate or other legal entity, all its director(s), owners and all spouses hereby agree(s) and consent to personal jurisdiction and venue and to hold themselves primarily and personally liable as a joint and several guarantor/guarantors for all the Franchisee's performance of this Agreement in every respect, including without limitation, timely payment of all current and future amounts owed BoConcept and all Affiliates whether invoiced to another party Franchisee and all individual owners thereof hereby also grant BoConcept a Security Interest in all current and after acquired inventory, goods, products, furniture, fixtures, equipment, personal property, supplies, accounts, ownership interests in the Franchisee entity and any proceeds thereof (including without limitation insurance proceeds) owned by or in Franchisee's possession, all as security for any and all current and future amounts owed BoConcept and Affiliates This personal Guaranty and Security Agreement shall be fully enforceable without signing any other separate documents The Franchisee shall make prompt payment of all amounts due BoConcept and Affiliates and all other suppliers, vendors, lessors/landlord, utilities, insurers and tax authorities of the Brand Store Unless otherwise agreed in writing by BoConcept, Franchisee shall pay all invoices from BoConcept and Affiliates within thirty (30) calendar days of the invoice date and Franchisee shall not for any reason whatsoever, including any alleged non-performance by BoConcept, set-off against or withhold payment of any amounts due to BoConcept All past due amounts due BoConcept shall bear interest, compounded from the date due until fully paid, at the maximum rate allowable by applicable law, plus an additional late fee may be charged for every notification or demand for payment for any past due amount Franchisee has thirty (30) calendar days from the date of any BoConcept invoice to deliver to BoConcept a written dispute of any invoice and thereafter any BoConcept invoice shall be deemed final The interest and late fees shall not constitute BoConcept's agreement to accept payments after they are due or any waiver of any remedies whatsoever and BoConcept shall also be entitled to withhold any further deliveries of inventory, supplies, and Products to the Franchisee once any invoices are past due

5 6 In security of the Franchisee's obligations under this Agreement the Franchisee or, where the Franchisee is a company or legal entity, its owners and management shall provide a bank guarantee from a first-class bank which shall be approved by BoConcept before the opening of the Brand Store The guarantee, which shall be irrevocable, shall be payable on first demand and be for an amount equal to the opening order in connection with the opening of the Brand Store, including e g costs of display, shop fixtures, business cards, bags, etc After the opening of the Brand Store, BoConcept shall be entitled to require that the guarantee is adjusted once a year in January so that it corresponds to an amount equal to ten (10) per cent of the value of the estimated yearly purchase of Products for that calendar year The Franchisee shall pay all costs incurred in connection with the provision and maintenance of all guarantees and security agreements

5 7 In exercising the Right of Operation, the Franchisee shall ensure compliance with all current, applicable legislation The Franchisee shall inform BoConcept in writing of any change in relevant law or legislation

5 8 The Franchisee must also act in the utmost good faith towards BoConcept and any other franchisees of BoConcept at all times

5 9 This Agreement shall only entitle the Franchisee to run a Brand Store in the Place of Business The Right of Operation shall only be exercised from the Place of Business, the Products shall only be sold from the Brand Store and from the internet shop connected thereto, cf Appendix 6, at the Place of Business, and the Franchisee shall not be entitled to run any other business from the Place of Business, storerooms and offices, exhibition rooms, etc belonging to the Place of Business or the internet, regardless of whether such business is incompatible or competes with the Concept or not, unless BoConcept has granted its prior consent in writing to such business

5 10 This Agreement shall give the Franchisee the exclusive right to open additional Brand Stores within the Territory (INSERT TERRITORY), set out at Appendix 3, however, clause 5 1-5 13 shall apply BoConcept shall not operate or give any third-party access to franchise Brand Stores in the Territory under the Trademark BoConcept so long as Franchisee is not in any default of this Agreement, including without limitation any payment or Development Plan default However, this limitation shall not obligate BoConcept to actively undertake measures of control or the like to prevent BoConcept or other BoConcept franchisees from conducting passive sales of the Products in the Territory

5 11 As part of this Agreement, BoConcept and the Franchisee shall prepare a Development Plan, set out at Appendix 4, which shall contain the Franchisee's expansion plans, requirements and timetable

5 12 If the Development Plan is not strictly and timely complied with, the Franchisee shall be deemed to have forfeited its exclusive right in the Territory specified in clause 5 10, and consequently BoConcept may enter into franchise agreements with other franchisees regarding the opening of Brand Stores in the Territory

5 13 In the situation where one or more Brand Stores are assigned pursuant to clause 18, the Development Plan must be adjusted Any adjustment of the Development Plan as well as any adjustment in the definition of the Territory as a consequence of an assignment pursuant to clause 18, must be approved in writing by BoConcept before an assignment can be executed

The Franchisee shall in any case be obliged to obtain BoConcept's prior consent in writing before opening additional Brand Stores within the Territory It will be considered a material breach of this Agreement, which shall justify termination of the Agreement and any other agreements between the Franchisee and BoConcept, if BoConcept's consent has not been obtained in advance For the opening of every additional Brand Store a new franchise agreement shall be entered into between the Franchisee and BoConcept on the basis of the standard terms and conditions utilized by BoConcept at that time

5 14 The Franchisee shall use its best endeavours to whenever possible carry out the Right of Operation himself/herself in the Brand Store as manager If the Franchisee cannot be present in person at the Brand Store during normal opening hours because the Franchisee is either operating a different Brand Store or because the Franchisee is a legal entity, the Franchisee shall appoint a skilled Brand Store manager to operate the Brand Store, to be pre-approved in writing by BoConcept Such a Brand Store manager shall comply with the conditions specified in the BoConcept Manual No other person than the Franchisee or the Brand Store manager appointed in accordance with this clause shall be in charge of the day-to-day management of the Brand Store

6 Entrance-Franchise Fee

6 1 At the time of signing this Agreement, the Franchisee shall pay a total Entrance or Franchisee Fee of $ **[INSERT]** (USD) covering the necessary initial assistance from BoConcept as well as access to the Concept

6 2 Franchisee shall provide BoConcept with recent credit information/reports, personal financial statements, prior income tax returns and any other information as deemed relevant and required to be updated from time to time by BoConcept for all individual owners of Franchisee All such personal credit or other personal information provided, obtained-discovered and utilized by BoConcept shall be maintained in strict confidence except to communicate to recognized credit bureaus and for collection purposes If BoConcept initially deems any such information to be unacceptable, BoConcept may elect to unilaterally terminate this Agreement and the entrance fee (also referred to as "Franchise Fee") shall not be refunded

6 3 At the time of signing a new Franchise agreement for any additional Brand Store in compliance with the Development Plan or in any other way approved in writing by BoConcept, a fee like the fee specified in clause 6 1 shall be paid to BoConcept for every additional Brand Store

7 The Place of Business

7 1 The Franchisee shall have a right and a duty to operate a Brand Store in accordance with the Concept at the Place of Business i e **[INSERT ADDRESS]**, which comprises the business premises and any depot or storerooms and other attached rooms The Franchisee shall ensure that the Place of Business is always kept clean and properly maintained

7 2 Any change in address of the Place of Business shall only be allowed with BoConcept's prior consent in writing Any change in address without such prior written consent shall constitute a material breach of this Franchise Agreement

7 3 Any proposed lease agreement in relation to the Place of Business, whether unsigned and still being negotiated or if the Franchisee has already executed a lease agreement, shall be submitted to BoConcept for prior written approval The Franchisee shall not execute any unsigned lease agreement or any later modifications or extensions thereof until such prior written approval All leases shall contain specific language allowing the lease to be assigned to BoConcept or its designee upon any default or termination, BoConcept may also (at its sole unilateral option) operate Franchisee's store, or assume Franchisee's Lease upon prior written notice to Landlord Recommended language to be included in franchise lease is "Tenant is an independent franchise of BoConcept Franchise, Inc , ("Franchisor") and at any time during any initial or extended Term of this Lease, Franchisor (or an affiliate), may unilaterally elect to either operate Tenant's store or assume Tenant's Lease upon prior written notice to Landlord In the event of any default by Tenant of any obligations to Franchisor or any affiliates, this Lease shall be assignable to any other qualified party that Franchisor secures to assume liability under this Lease, so long as all payment obligations whatsoever under this Lease are brought current at the time of any such assignment, and Franchisor and/or qualified third party accepts and agrees in writing to be fully liable under this Lease, and at Landlord's discretion, the original Tenant and Guarantor shall also remain liable " BoConcept's approval of any location and lease does not constitute a guaranty or representation of the viability or success of the store or location Upon signing, Franchisee shall provide BoConcept a complete copy of all executed leases, extensions and amendments and a completed lease cover sheet in the form provided by BoConcept

Once approved by BoConcept, no amendments shall be made to the lease agreement either before or after execution, unless also prior approved in writing by BoConcept (unless such obligations are imposed on the Franchisee as a result of an amendment of the law)

7 4 The Franchisee shall not assign the lease or rights to store location without BoConcept's prior written consent

7 5 The Franchisee shall make sure that the lease agreement does not expire as long as this Franchise Agreement is in force

8 Shop Fixtures and updates

8 1 The Franchisee shall provide the Brand Store with operating equipment, exhibition facilities, lighting and other Shop Fixtures in accordance with the BoConcept Manual and arrange for painting, decoration and furnishing of the premises as stated in the BoConcept Manual or elsewhere The Franchisee shall pay the costs in relation to the above

8 2 Upon request, BoConcept shall make national or global stylists available for designing the Place of Business in line with the BoConcept Manual Payment in advance from the Franchisee for the provision of such services may be required by BoConcept

8 3 BoConcept shall designate suppliers from whom the Franchisee shall buy all needed Shop Fixtures to the Brand Store

8 4 BoConcept may at any time

8 4 1 upon (90) calendar day's prior notice, demand that the Franchisee make minor changes to the Shop Fixtures, logo, trademarks and other business characteristics (Minor Changes) Minor Changes shall include replacement of parts, at a cost per part not exceeding $1,500 00 (USD) The Franchisee's costs of Minor Changes shall not be required to exceed maximum amount to $10,000 00(USD) per calendar year,

8 4 2 upon prior notice of (547 calendar days), BoConcept may demand that the Franchisee carry through major changes with reference to changes in the Concept (Major Changes) Major Changes shall include replacement and purchase of parts etc, at a cost per part exceeding $1,500 00(USD) The Franchisee's costs of Major Changes shall not exceed a maximum amount to $20,000 00 (USD) per calendar year

Parts shall be interpreted as any separate unit, e g a new front, front sign, counter or rack

8 5 The Products shall also be updated in the Brand Store as described in the BoConcept Manual once a year before BoConcept releases the yearly catalogue

8 6 The Franchisee shall, in all the above cases, pay the costs of alteration and any new purchases, etc

8 7 The Franchisee shall, at its own cost, fully comply with any legislation, regulation or notices from public authorities requiring changes to the fittings, outlay, setup etc of the Brand Store e g in order to bring these in line with planning or health and safety regulations

9 IT Application and telecommunication

9 1 The Franchisee shall use and at its own cost purchase, all IT software as prescribed by BoConcept and as described in the BoConcept Manual for the operation of the Brand Store (the "IT Application") BoConcept may from time to time, specify upgrades and new products to the Franchisee which, upon Franchisee's receipt of a notice to that effect, shall form part of the IT Application The Franchisee shall use its best endeavours to purchase and/or secure such updates at the earliest reasonable opportunity following receipt of such notice If the Franchisee is utilizing IT Hardware which is incompatible with the IT Application, BoConcept shall be entitled to demand that the Franchisee's IT Hardware is made compatible immediately

9 2 The Franchisee shall pay all subscription charges, licence fees and consumption charges, etc relating to the IT equipment

9 3 BoConcept shall designate an IT partner from whom the Franchisee shall purchase the IT Application and any similar or additional IT products

9 4 The Franchisee shall be obligated to establish business procedures and safety routines with a view to ensuring that the IT Application is not used illegally, is dependable and that the loss of data is prevented

9 5 The Franchisee shall arrange for maintenance and correcting of defects in co-operation with the super user of the Territory designated by BoConcept The Franchisee shall pay a maintenance and support fee for this in accordance with the BoConcept Manual

9 6 BoConcept accepts no responsibility for financial losses occurring as a consequence of defects in the performance of the IT Application, including the loss of function or data

9 7 The Franchisee shall in its own name establish telephone and fax numbers, which the Franchisee shall be obliged to use in connection with marketing and sales

10 Minimum turnover

10 1 The Franchisee's gross turnover from the operation of the Brand Store shall, on the basis of an evaluation based on the 3-year budget prepared at the time of signing of the Agreement, cf Appendix 5, be equal to or exceed at least the following minimum amounts

10 1 1 During the period from the Effective Date of this Franchise Agreement until the 31st of December of that year, the gross turnover must amount to at least $[**INSERT**](USD),

10 1 2 During the first full calendar year after the Effective Date of this Franchise Agreement, the gross turnover must amount to at least $[**INSERT**] (USD),

10 1 3 During the second full calendar year after the Effective Date of this Franchise Agreement, the gross turnover must amount to at least $[**INSERT**] (USD)

10 2 The relevant minimum gross turnover for each subsequent year shall be established by BoConcept, at its sole discretion, after discussion with the Franchisee before the start of each calendar year and in writing by the 30th of November of the year preceding the relevant calendar year at the latest

Regardless of the above-mentioned clause, however, BoConcept can only with the consent of the Franchisee, establish the amount of the annual minimum gross turnover pursuant to this clause at a level exceeding the realized gross turnover of the previous calendar year with an addition of **[Rate]** percent

10 3 If the minimum amount of gross turnover fixed for an operating period or calendar year is not achieved, BoConcept shall be entitled to terminate the Franchise Agreement on (180) calendar day's prior written notice to the Franchisee

10 4 The gross turnover means all income generated by the Franchisee's BoConcept business including the sale of Products, regardless of the manner of payment or method of consideration (e g transfer of goods as employee benefits)

10 5 When the gross turnover ıs calculated cf clause 10 4, the followıng amounts shall be deducted

10 5 1 VAT (value added tax) or Sales Tax or ıts equıvalent on the Franchısee's sale of Products,

10 5 2 Cash refunds to customers ın connectıon wıth customer complaınts

11 Marketıng

11 1 BoConcept retaıns overall control of all natıonal and local marketıng and BoConcept shall be ın charge of the ımplementatıon of natıonal and local marketıng The Franchısee shall pay the costs of all natıonal and local marketıng wıthın the Terrıtory ın accordance wıth clause 6 1 of the Supply Agreement attached as Appendıx 7

11 2 BoConcept, through Affılıates has desıgned and shall contınue to desıgn marketıng materıal, ıncludıng materıal for use ın newspaper advertısements, radıo and TV commercıals, Internet commercıals, dırect maıl letters, faırs and exhıbıtıons, etc ın accordance wıth the BoConcept Manual, and shall place such materıal at the dısposal of the Franchısee to a faır and reasonable extent It shall subsequently be the Franchısee that makes a decısıon on choıce of medıa and the extent of local marketıng, always provıded that the Franchısee shall

- Use the marketıng materıal and only such marketıng materıal prepared by BoConcept for local marketıng and make sure that the local marketıng strıctly complıes wıth the standards of the marketıng materıal provıded In partıcular, any such local marketıng must ensure that the name" BoConcept" appears approprıately,

- Partıcıpate ın such marketıng ınıtıatıves, natıonal or local, whıch may be decıded by BoConcept,

- Make sure that the local marketıng complıes wıth all relevant local law, and the BoConcept communıcatıon platform, and

- Accept that BoConcept may prohıbıt local marketıng ınıtıatıves, regardless of whether they mıght be legal and ın accordance wıth the Concept, ın the event that BoConcept, ın ıts sole dıscretıon, decıdes that thıs ıs ın the best ınterests of the BoConcept

11 3 Any busıness cards, statıonery, order confırmatıons, offers, purchase agreements, ınvoıces, receıpts, busıness presentatıons, etc used by the Franchısee, must be prepared ın accordance wıth the Concept, marketıng materıals and BoConcept Manual, and produced at the Franchısee's cost

11 4 BoConcept has establıshed one or more homepages on whıch the BoConcept products are presented and descrıbed The Franchısee shall have a rıght (and ırrevocably consents) to be mentıoned on such homepage(s) by name, address, telephone number, e-maıl address and openıng hours BoConcept ıs currently developıng an e-trade system for use ın connectıon wıth the marketıng and sale of the Products When the system has been completed, the Franchısee shall be entıtled and oblıgated agaınst payment to use the e-trade system on the condıtıons establıshed by BoConcept It ıs antıcıpated that sales through BoConcept's web-sıte or catalog wıll be forwarded to franchısed stores accordıng to customer preferences and/or locatıon

11 5 Franchısee shall not establısh or use any websıte or sımılar medıum wıthout BoConcept's prıor wrıtten approval and all form, content and revısıons thereof shall requıre BoConcept's prıor wrıtten approval The Franchısee shall regardless of clause 11 4, be entıtled to establısh a local homepage for promotıon of BoConcept products, provıded that all domaıns, URL's and homepage/web-sıtes are solely owned and admınıstered by BoConcept and all content and revısıons are preapproved ın wrıtıng by BoConcept and all passwords set and controlled only by BoConcept ın accordance wıth Appendıx 6

11 6 The Franchisee shall disclose any new marketing ideas, e g for new trademarks, slogans, designs, etc , to BoConcept BoConcept shall then be free to disclose such ideas to the rest of the franchise network and/or incorporate them into the Concept should it so wish and no fee shall be payable to the Franchisee in respect of these ideas The Franchisee shall not implement any such new ideas without BoConcept's prior consent in writing

11 7 On demand, the Franchisee is to the extent possible under local law and legislation obligated to provide BoConcept with information about the Franchisee's customers and prospective customers, including but not limited to complete database/files (name, address other contact information and all current and past orders) free of charge

12 Staff, training and support

12 1 The Franchisee shall employ and dismiss its own staff and shall be responsible for all rights and obligations resulting from its status as an employer The Franchisee shall be responsible for ensuring that the Concept and the BoConcept Manual are observed by the employees The Franchisee shall make sure all employees are treated in accordance with the BoConcept Manual

12 2 In this connection, the Franchisee shall at all times ensure all of the following

12 2 1 That all employees are qualified and comply with the Concept standards and the obligations appearing from e g the BoConcept Manual If it turns out that one or more of the employees do not – in the opinion of BoConcept – comply with such requirements, the Franchisee shall within a period of **[INSERT]** (3 months if left blank) months arrange for supplementary training/education, etc as prescribed by BoConcept,

12 2 2 That the staff employed in the store – including the Franchisee himself or, if the Franchisee is a legal entity, its director(s) – shall at any time have the required personal and professional qualifications, and that they have gone through the compulsory basic and further training described in the BoConcept Manual,

12 2 3 That appropriate numbers of appropriately trained staff are available at all relevant times to ensure the high level of sales and customer service required by the Concept are maintained,

12 2 4 That the conditions and facilities provided for employees comply with all relevant domestic legislative rules and regulations as well as with international treaties and conventions to which the Territory and/or the country of the Territory is a contracting state,

12 2 5 That the Brand Store is managed competently by the Franchisee himself or a store manager per clause 5 14,

12 2 6 That all employees are suitably attired and in particular that any dress codes, etc set out in BoConcept Manual are observed,

12 2 7 That all key employees with access to confidential information sign a contract of employment, including the appropriate usual clauses, including confidentiality, privacy clauses, non-competition clauses, non-solicitation clauses and non-enticement clauses, which are in compliance with all applicable laws in the Territory

12 3 The Franchisee and its staff are obligated to attend the training program fixed by BoConcept in the BoConcept Manual which is provided by BoConcept itself or in co-operation with others The Franchisee shall pay the costs in connection with the courses, including salary for the Franchisee's staff, transport costs, costs of hotel accommodation and meals The training program can take place locally and/or at the headquarters of BoConcept In both cases the Franchisee shall pay the costs incurred in that connection

13 Advice and co-operation

13 1 BoConBoConcept's Country Manager (US) shall provide support and advice, e g regarding sales, marketing, product training, store evaluation, in line with the BoConcept Manual The Country Manager shall visit the Franchisee two to four times a year On the basis of the visits a Store Assessment Report shall be prepared two times a year Once a year a follow-up meeting shall be held between the Franchisee and BoConcept

13 2 BoConcept shall supervise the Franchisee's exercising of the Right of Operation with a view to

13 2 1 Ensuring that the Right of Operation is exercised responsibly and in accordance with the Agreement and the BoConcept Manual,

13 2 2 Supporting the Franchisee's business development and the Franchisee's business position, including assisting the Franchisee in its planning and organization of business activities, and

13 2 3 Establishing and maintaining an efficient and constructive co-operation between the Franchisee and BoConcept

13 3 BoConcept shall via letter, e-mail or Intranet, issue newsletters as required regarding issues which are relevant to the Concept and the Right of Operation

13 4 Once a year, BoConcept will hold an international strategy meeting, called BoConcept Inspiration Camp (" BIC") at its headquarters or at a location designated by BoConcept In addition, BoConcept will hold two to four national meetings each year Either the Franchisee or the Store Manager shall attend all such meetings but they may also both attend the national meetings, the Franchisee being responsible for all costs incurred

In addition, individual meetings shall be held as agreed by BoConcept and the Franchisee in order to secure a future good working relationship

13 5 BoConcept shall be entitled to deny access to the meetings mentioned in clause 13 4, if

13 5 1 The agreement has been terminated by either party, or

13 5 2 The Franchisee in BoConcept's sole opinion is in material breach, or

13 5 3 If the Franchisee's attendance in BoConcept's sole opinion at any meeting would be inappropriate for any reason

14 Products

14 1 BoConcept shall decide on the development and selection of the Products and accessories to be part of the product range and which may and are required, to be offered at the Brand Stores (the Products) The Products are stated in the BoConcept Manual (which may be amended from time to time)

14 2 The Franchisee shall buy the Products incompliance with the Supply Agreement between BoConcept and the Franchisee, cf Appendix 7 "Purchases" means cost of all inventory, accessories, materials and currently also includes shipping Franchisee is separately liable for all taxes, insurance and duties, etc BoConcept may change prices and payment terms at any time, effective after thirty (30) calendar days' notice to Franchisee

14 3 The Products are solely designed and constructed for residential use in private homes Franchisee shall comply with all applicable laws related to the sale of the Products for commercial use by commercial customers, including but not limited to fire, health and safety and shall obtain any required certifications/approvals required If Franchisee sells the Products for any commercial use whatsoever or in violation of any law, the Franchisee shall fully indemnify BoConcept and all Affiliates from any liability and claims from any party including defects in the Products The Franchisee's sale of the Products to property developers, professional landlords and similar, who apply the Products for residential use to furnish rental properties rented out as private homes, shall not lead to the Franchisee's loss of remedies granted under this Agreement towards BoConcept if all laws are complied with

14 4 The first sentence of clause 14 3 shall not apply for the Franchisee's sale of the Products

14 4 1 if BoConcept has approved the Products for commercial use by commercial customers, and listed the Products in the BoConcept Manual as being fit for commercial use,

14 4 2 if the Franchisee's sale of the Products for commercial use is conducted in compliance with any guidelines, requirements and/or conditions specified in the BoConcept Manual, and

14 4 3 if the Products are sold only to a kind of commercial customer (e g hotels, restaurants, bars, office facilities etc), which has been approved by BoConcept and listed in the BoConcept Manual

14 5 BoConcept may recommend or establish by policy, minimum or maximum retail prices for the Products, but otherwise the Franchisee is free to determine the retail prices for the Products Retail selling prices for BoConcept Products may vary at other outlets and retailers

14 6 The Franchisee and/or if the Franchisee is a company, its director(s) and the natural persons ultimately owning the Franchisee shall not be entitled to be involved in other commercial activities than the operation of the BoConcept business, including in particular, but not limited to, selling and/or marketing of other products and/or services than the Products, regardless of whether such products compete with the Products or not, without the prior written consent of BoConcept The Franchisee can only sell Products supplied directly by BoConcept, other franchisees or by suppliers appointed by BoConcept In case the Franchisee or the natural person ultimately owning the Franchisee perform actions in contravention of this stipulation this is regarded as a material breach of this Agreement BoConcept's Affiliates manufacture some items while other third parties manufacture or produce items for BoConcept Due to the logistics of furniture manufacturing and distribution (including but not limited to labor and material shortages and delivery and customs issues) availability and shipping and delivery times for Products cannot be guaranteed and neither BoConcept nor its Affiliates or third party suppliers shall be liable for any unavailability and/or delays in shipping and delivery of any Products whatsoever

15 Accounts and reporting

15 1 The Franchisee shall

15 1 1 For each quarter provide to BoConcept a P/L report as further defined in the BoConcept Manual Such P/L report must include a breakdown of required marketing expenditures and be received by BoConcept no later than twenty (20) days following the end of each calendar quarter (i e by the 20th day of each of January, April, August and November of each year),

15 1 2 No later than at the sıgnıng of the Agreement and subsequently each year no later than two (2) months before the begınnıng of a new accountıng year forward ıts budget for the comıng accountıng year to BoConcept,

15 1 3 No later than (180) calendar days after the end of each accountıng year, forward accounts audıted (or certıfied) by a firm of Certıfied Publıc Accountants for the prevıous accountıng year to BoConcept, and

15 1 4 Provıde BoConcept wıth such addıtıonal financıal ınformatıon as may be requested by BoConcept concernıng of the operatıon of the Franchısee's BoConcept busıness

15 2 All accounts and reports ıncludıng pursuant to clause 15 1 shall be submıtted to BoConcept ın Englısh and Franchısee authorızes BoConcept to utılıze all data supplıed by Franchısee ın such manner and purposes as determıned by BoConcept

15 3 The Franchısee hereby ırrevocably grants BoConcept or ıts authorızed representatıves the unrestrıcted rıght to access and ınspect all books of accounts relevant or connected to the Franchısee's BoConcept busıness and warrants that Franchısee shall, to thıs end, secure co-operatıon by the Franchısee's accountants wıth BoConcept

16 Insurance

16 1 The Franchısee shall purchase and maıntaın at all tımes all necessary ınsurance polıcıes, ıncludıng but not lımıted to fire and flood and property and casualty, personal ınjury and death and workers' compensatıon, comprehensıve publıc lıabılıty, vehıcle lıabılıty, busıness ınterruptıon and general lıabılıty ınsurance, busıness lıabılıty, busıness ınjury and consequentıal loss ınsurance polıcıes, together wıth any other ınsurance whıch may be demanded at any tıme by BoConcept All such ınsurance polıcıes shall ınclude coverage for defense costs ıncludıng legal fees and name BoConcept Franchıse, Inc , and all Affilıates and all officers, dırectors, shareholders, agents and employees thereof as addıtıonal ınsured's, and shall contaın a waıver by the ınsurance carrıer of all subrogatıon rıghts agaınst BoConcept and all Affilıates, and shall provıde that BoConcept shall receıve thırty (30) days advance wrıtten notıce of termınatıon, expıratıon, cancellatıon or modıficatıon of any such polıcy If Franchısee faıls to maıntaın such requıred ınsurance, BoConcept may, at ıts optıon, obtaın such ınsurance and Franchısee shall reımburse BoConcept for all premıums and other expenses ıncurred Before operatıon of the Brand Store ıs ınıtıated and at any other tıme when BoConcept so demands, the Franchısee shall forward to BoConcept documentary evıdence that the ınsurance polıcıes stated under clause 16 1 have been purchased and maıntaıned

17 Exercıse of the Rıght of Operatıon by a Corporate or other legal entıty Franchısee

17 1 If the Franchısee ıs a corporate body, ı e corporatıon, lımıted lıabılıty company or partnershıp or any other recognızed legal entıty (collectıvely all "Company"), the Franchısee shall

17 1 1 Inform and provıde BoConcept copıes of all agreements whatsoever between any owners ıncludıng all documentatıon of the ıdentıty (ıncludıng full legal name, home address, and ownershıp percentage and votıng percentage for control) of all the owner(s) of the Company (ıncludıng the ındıvıdual owners of any legal entıtıes that are owners of such Company), at the Effectıve Date of the Agreement and any subsequent transfer of ownershıp ınterests or votıng rıghts,

17 1 2 Ensure that the natural person(s) ultımately ownıng and/or controllıng the majorıty of the ownershıp ınterests or votıng rıghts ın the Company are regıstered wıth all relevant government agencıes and trade regıster as the management of the Company,

17 1 3 Acknowledge that any subscription of new shares, cancellation of shares, transfer of rights, including as a gift and/or legacy, of the ownership interests or of voting rights in the Franchisee Company or in any company owning all or part of such rights and/or interests, without BoConcept's prior consent in writing, shall entitle BoConcept to terminate the Agreement without notice, and

17 1 4 Acknowledge that any change in the persons serving as directors in Franchisee's Company without BoConcept's prior written consent shall entitle BoConcept to terminate the Agreement without notice

18 Assignment or sale of rights and obligations

18 1 BoConcept shall at any time be entitled partly or fully to assign its rights and obligations and other interests under this Franchise Agreement to a third party designated by BoConcept

18 2 When the Agreement has been in force for at least three (3) years, and provided that the Agreement has not been terminated by one of the Parties before that, the Franchisee shall be entitled to assign its rights and obligations under this Agreement to a third party, which has been pre-approved in writing by BoConcept, provided that the potential buyer/assignee complies with all BoConcept's minimum conditions applicable at any time, including but not limited to

18 2 1 Education,
18 2 2 Industry knowledge,
18 2 3 Financial condition and
18 2 4 Management experience

18 3 It shall furthermore be a condition for the Franchisee's assignment of its rights and obligations under this Agreement that the Franchisee is not in any material default or breach of the Agreement at the time of the proposed assignment ("material" to be decided at BoConcept 's sole discretion), and that the potential buyer signs an agreement, which confirms that the potential buyer personally accepts all the terms and conditions applicable in this Franchise Agreement as well as all personal guaranty's, security and other agreements required by BoConcept BoConcept's consent to a proposed assignment shall not be unreasonably withheld

18 4 Before an assignment to a potential buyer, cf clauses 18 2 and 18 3 can be executed, the Franchisee shall offer to assign its rights and obligations under this Agreement to BoConcept or to a third party appointed by and approved by BoConcept on the same terms and conditions as are offered to a potential buyer The offer to BoConcept shall be made in writing with a copy of a specific offer from the potential buyer and with a time stipulated for acceptance of 30 days In the event that BoConcept has not accepted the offer within 30 days, the Franchisee shall be entitled to assign its rights and obligations under this Agreement to the potential buyer on the same terms and conditions as offered to BoConcept or to the third party appointed by BoConcept If these terms of assignment are changed during negotiations between the Franchisee and the potential buyer, the Franchisee shall again make an offer to BoConcept first according to the above procedure before the assignment can be executed

18 5 By invoking its rights under clause 18 the Franchisee will be deemed to have forfeited its exclusive right provided under clause 5 10 and Appendix 3 Further, the Franchisee will be deemed to have accepted that BoConcept operates Brand Stores within the Territory

18 6 Except for clauses 18 2 and 18 3 the Franchisee shall not assign any rights or obligations under this Agreement to a third party or pledge to do so without the prior written consent of BoConcept

18 7 In the event of an assignment per clauses 18 2, 18 3 or 18 4, the Franchisee shall pay $25,000 00 (USD) to BoConcept to cover BoConcept's costs of making the transaction and providing training

19 Competition and employees

19 1 During the term of the Agreement, the Franchisee, or if the Franchisee is a corporate or other legal entity, all its director(s), officers and owner(s) shall not be entitled directly or indirectly to operate, be employed in or have any ownership interests whatsoever either directly or indirectly in any manner whatsoever in any business competing with the Right of Operation or the Concept

19 2 As the Franchisee as part of the exercising of the Right of Operation will receive from BoConcept considerable know-how and confidential information regarding the Concept and BoConcept 's systems and methods of business and as the Confidential Information was imparted for the specific purpose of promoting and operating the Franchisee's BoConcept business the Franchisee, and if the Franchisee is a legal entity its director(s) and owner(s) shall for a period of 24 months after the expiration or termination of the agreement, regardless of the reason, not directly or indirectly operate, be employed with or have ownership interests either directly or indirectly in any manner whatsoever in a business competing with the Concept or BoConcept

19 3 Violation of clause 19 1 and/or clause 19 2 shall lead to payment of an agreed penalty of €150,000 00 per violation If the violation includes maintaining a condition in violation of the competition clause, this shall be considered one violation for each period of 14 days during which the violation takes place Payment of the agreed penalty shall neither justify a continuation of the violation nor terminate the competition clause Further, payment of the agreed penalty shall not prevent BoConcept from claiming damages for breach of this or any other clause of the Agreement to the extent possible under Danish law and/or applicable law of the Territory or act as a waiver by BoConcept of any of its remedies at law and equity

19 4 BoConcept may also obtain an injunction to restrain the violation of this or any other clause herein

Please note, for purposes of all subsections of this clause 19 and all other related clauses, the terms
i) "business competing" means those businesses that are main competitors of BoConcept, (for example- Natuzzi, Calligaris, Roche Bobois, Lingnet Roset), and
ii) "indirectly" shall always include, without limitation, through any other parties and/or entities utilized for the purpose of circumventing this provision

20 Confidentiality

20 1 The Franchisee or if the Franchisee is a corporate or other legal entity, its owners, director(s) and all person(s) ultimately owning the Franchisee (directly or indirectly) shall during the term of the Franchise Agreement and after the expiration or termination of the Franchise Agreement regardless of the reason, at all times keep strictly confidential and never divulge or utilize in any manner whatsoever (either directly or indirectly) any know-how and knowledge related to the Concept and BoConcept's system, present, past and prospective, including without limitation any customer database information and files, and all other information received and learned according to this Franchise Agreement and the Franchisee's operation as a franchisee of BoConcept Please note, for purposes of all these Sub-Sections of (20) Confidentiality, the term "indirectly" shall always include, without limitation, through any other parties and/or entities utilized for the purpose of circumventing this provision

20 2 The Franchisee shall, subject to applicable mandatory laws in the Territory, make sure that all its employees sign a non-disclosure/utilization clause or agreement with the Franchisee, according to which the employee during his/her employment with the Franchisee and after the expiration or termination of such employment regardless of the reason shall keep confidential all know-how and knowledge related to the Concept, BoConcept 's system, the Franchised Businesses current, past and prospective customer files and databases, and all other information received and learned during the employment by the employee about the Right of Operation under this Franchise Agreement and the Franchisee's operation as a franchisee of BoConcept

20 3 In the event of any violation of clause 20 1 or 20 2 by the Franchisee or if the Franchisee is a corporate entity, by its director(s)'s and/or any person(s) ultimately owning directly or through a legal entity the Franchisee, the Franchisee shall pay an agreed penalty of €50,000 00 The agreed penalty shall be paid for each independent breach of the clause If the violation includes maintaining a condition in violation of the confidentiality clause, this shall be considered one violation for each period of 14 days during which the violation takes place Payment of the agreed penalty shall neither justify a continuation of the violation nor terminate or act as any waiver of the confidentiality clause Further, payment of the agreed penalty shall not prevent BoConcept from claiming damages for breach of this or any other clause of the Agreement to the extent possible under Danish law and/or applicable law of the Territory BoConcept may also obtain an injunction to restrain the violation of the clause

20 4 The Franchisee hereby irrevocably grants BoConcept the right to pass on or use any information regarding the Franchisee and the Franchisee's BoConcept business whatsoever to whom it may be considered necessary by BoConcept, including other franchisees Such passing on of information shall not be contrary to BoConcept's obligations under the present Franchise Agreement

21 Term, expiration and termination

21 1 The term of the Franchise Agreement shall be five (5) years from the Effective Date of this Agreement (the "Term") The Franchise Agreement shall be non-terminable in the Term, unless the Franchise Agreement is terminated prematurely pursuant to clauses in this Agreement, e g clauses 10 3 and 21 2 through 21 6

21 2 **Termination by Franchisee** If Franchisee is in substantial compliance with this Agreement and the BoConcept materially breaches this Agreement and fails to cure such breach within a reasonable time, which in no event shall be less than ninety (90) days, after written notice is delivered to BoConcept, Franchisee may terminate this Agreement Such termination shall be effective ten (10) days after delivery of notice to BoConcept that such breach has not been cured and Franchisee elects to terminate this Agreement Except as described in this Section, Franchisee has no other right to terminate this Agreement

21 3 **Termination by BoConcept** In addition to the other provisions of this Agreement allowing termination, BoConcept may terminate this Agreement effective upon delivery of notice of termination to Franchisee in any one or more of the following circumstances

1 Franchisee or any of its Principals (defined below) become insolvent, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, files any pleading seeking any reorganization, liquidation or dissolution under any law, admits or fails to contest the material allegations of any such pleading filed against Franchisee, is adjudicated a bankrupt, a receiver is appointed for a substantial part of Franchisee's assets, or the claims of creditors of Franchisee or the Franchised Business are abated or subject to a moratorium under any law(however this provision may not be enforceable under current U S Bankruptcy Laws), or

2 If Franchisee fails to pass the training program for franchisees, or if Franchisee fails to commence operating the Brand store within 275 days after the Effective Date of this Agreement, or if Franchisee abandons, surrenders or transfers control of the operation of the Franchised Business without BoConcept's prior written consent, or

3 If Franchisee loses possession of the store premises, or fails to make any rental payments when due or otherwise materially defaults on their lease, or suffers termination of the lease, or

4 If Franchisee submits to BoConcept on two or more separate occasions at any time during any two-year period during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates the Gross Sales of the Franchised Business for any period by more than two percent, or

5 If Franchisee or any of its Principals is convicted of, or pleads guilty or no contest to a felony or other crime, which substantially impairs the goodwill associated with the BoConcept Marks or the Concept or engages in any misconduct which affects the reputation of the Franchised Business or the goodwill associated with the BoConcept Marks or the Concept, as determined by BoConcept, or

6 If Franchisee loses any permit or license which is a prerequisite to the operation of the Franchised Business, or if Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to customers, employees, or the public, or

7 If Franchisee makes a transfer or assignment of this Agreement, the assets of the Franchised Business, or Franchisee's ownership interest, which is not authorized as provided in the transferability section of this Agreement, or

8 If Franchisee has received two or more notices of default from BoConcept during any twelve-month period, whether or not such defaults were cured, or

9 If Franchisee delivers to BoConcept two or more non-sufficient funds checks within any twelve-month period, whether or not such checks were subsequently paid, or

10 If Franchisee materially fails to submit reports or financial data which BoConcept requires under this Agreement when the same are due and does not correct such failure within thirty days after written notice of such failure to comply is delivered to Franchisee, or

11 If Franchisee purchases, displays, advertises, commissions or sells any merchandise whatsoever that is not purchased directly from BoConcept, or

12 If the Franchisee is a corporate body such as a corporation, limited liability company, limited liability partnership, trust, partnership, limited partnership or any other recognized legal entity (all collectively referred to as "Legal Entity") and the Franchisee fails to timely a) provide BoConcept documentation disclosing the identity(including full name, home address, and percentage of ownership and voting percentage-control) of all of the owner(s) of the Legal Entity at the time of signing of this Agreement and any subsequent transfer of ownership interests or voting rights, or b) ensure that all natural person(s) ultimately owning and/or controlling the majority of the ownership interests or voting rights in the Legal Entity are registered (if required) with all relevant local governmental agencies and/or trade register as the management of the Legal Entity, or c) obtain BoConcept's prior written consent before any ownership interests and/or voting rights in such Legal Entity are transferred to anyone directly or indirectly competing with the interests of BoConcept or any other franchisee of BoConcept, or d) obtain BoConcept's prior written consent to any subscription of new shares/ownership interest, cancellation of shares/ownership interest, transfer of rights, including as a gift and/or legacy, of the ownership interests or of voting rights in Franchisee's Legal Entity or in any Legal Entity owning all or part of such rights and/or interests, and agree that any change in the persons holding office as directors and officers in the Franchisee Legal Entity without BoConcept's prior consent in writing shall entitle BoConcept to terminate this Agreement without notice, or

13 If Franchisee fails to pay any amount owed to BoConcept or any of its Affiliates or to Franchisee's suppliers, providers or vendors when due and payable and fails to correct such failure within ten calendar (10) days after written notice of such compliance failure is delivered to the Franchisee

14 If Franchisee fails to completely and timely perform any of the terms and conditions in this Agreement not otherwise covered in Section 21 3 paragraphs 1 through 12 above, or in BoConcept Operating Manual, or in other operational memoranda issued by BoConcept, or uses bad faith in carrying out terms of these franchise provisions and does not correct such failure within thirty (30) calendar days after written notice of such failure to comply is delivered to Franchisee, or if Franchisee fails to completely and timely perform any obligations in Section 21 3 paragraph 13 above and does not correct such failure within ten (10) calendar days after written notice of such failure to comply is delivered to Franchisee then Franchisee shall be deemed at BoConcept's sole option to be in material default and BoConcept may immediately terminate this Agreement

21 4 Upon the occurrence of any of the above events of default which would allow the BoConcept to terminate this Agreement (which termination BoConcept may or may not choose to do), BoConcept may authorize its affiliates and suppliers (and may also directly) withhold shipment to the Franchisee of the BoConcept's or affiliates products and services and approved products and services until such time as Franchisee has cured the event of default BoConcept has the right to preserve the goodwill associated with its trade name and in the event of any default, BoConcept reserves the right to contact Franchisee's customers directly to complete unsatisfied orders and communicate to customers the reasons shipments are being delayed or withheld Franchisee shall cooperate fully in assisting BoConcept in contacting Franchisee's customers and Franchisee shall provide BoConcept all customer files and database (including names, addresses and contact and account information and order and deposit status) within 5 calendar days of BoConcept's request BoConcept may at its sole option complete certain orders directly with Franchisee's customers and where applicable collect unpaid balances upon delivering goods directly to Franchisee's customers, giving credit to Franchisee's account for any amounts collected in excess of BoConcept's wholesale cost, default amounts and delivery and other reasonable expenses Furthermore, upon any default or termination, BoConcept may also (at its sole unilateral option) operate Franchisee's store, or assume Franchisee's Lease upon prior written notice to Landlord, or work out some other arrangement directly with Franchisee's Landlord

21 5 **Cross Default** Any default by Franchisee of any other agreement between BoConcept or its affiliates and Franchisee shall be deemed a default under this Agreement, and any default by Franchisee of this Agreement shall be deemed a default under any and all other agreements between BoConcept and its Affiliates and Franchisee If the nature of such default under any other agreement would have permitted BoConcept to terminate this Agreement had said default occurred hereunder, BoConcept shall have the right to terminate this Agreement as if such default has occurred hereunder For purposes of this Section, an agreement between BoConcept or an Affiliate of BoConcept and Franchisee or Franchisee's partner, shareholder, member, owner, manager, or executive officer shall be deemed an agreement between BoConcept and Franchisee

21 6 **Appointment of Manager or Sale/Assignment of Franchise** Notwithstanding the provisions of Sections 21 2 and 21 3 above, in the event that Franchisee does not comply with any provision of this Agreement, BoConcept may, at its sole option, assign a manager to the Franchised Business on a daily basis, whose function will be to ensure compliance by Franchisee, Franchisee's employees and agents with the provisions of this Agreement, including without limitation, adherence to the standards, methods, procedures and specifications of the BoConcept Concept and the rights and duties upon termination or expiration of this Agreement Franchisee shall pay BoConcept for the services of such manager at such reasonable rate as may be established by BoConcept and such manager shall have unconditional access to all accounts, software systems, banking, records, passwords, etc and may establish new bank or other accounts or agreements or take any other actions as they deem necessary to properly oversee management of the Franchised Business Additionally, if Franchisee fails to comply with this Agreement, BoConcept may at its sole option, sell and/or assign this franchise to another party

21 7 **Rights and Duties Upon Termination or Expiration** Upon termination for any reason or expiration of this Agreement, all of Franchisee's rights hereunder shall terminate Franchisee shall forthwith discontinue use of the Marks, the System, and all trade names, trademarks, service marks, trade dress, signs, colors, structures, interior and exterior décor, business methods, confidential information, printed goods and forms of advertising indicative of the Franchised Business and return all materials and the Software Program to BoConcept Franchisee shall pay all amounts due BoConcept or its Affiliates, cancel Franchisee's assumed name registration, return to BoConcept any BoConcept signs, and not represent that Franchisee formerly did business under the BoConcept name Franchisee shall provide BoConcept with the files/database (including names, addresses and telephone numbers) of all Franchisee's customers during the past three years Franchisee shall promptly notify all the post office and all listing entities and service providers utilized in any manner by Franchisee and related in any manner to the store and/or the Marks, including but not limited to all telephone and facsimile numbers, e-mail addresses and listings, all signs or materials whatsoever bearing the Marks (even though Franchisee may have paid a third party to produce and/or install such sign or material), all internet, websites, links, search engines, search engine identifiers, domains and domain names and other electronic media, and all other registry's, directories, listings and addresses (hereinafter all collectively referred to as "Listing Services") of the termination or expiration of Franchisee's right to use any such Listing Services in any manner whatsoever and to authorize transfer any or all of such Listing Services to or at the direction of BoConcept Franchisee acknowledges that as Franchisor, BoConcept has the sole rights to and interest in any and all such Listing Services associated in any manner with the Marks or the store, and Franchisee hereby specifically authorizes and appoints BoConcept and any officer of BoConcept as Franchisee's attorney-in-fact, to have unconditional control and authority over any such Listing Services and also and any and all Listing Service providers and other third parties may accept such direction or this Agreement as conclusive evidence of the exclusive rights of BoConcept in all such Listing Services and BoConcept's authority without further action to direct their transfer Franchisee shall furnish to BoConcept within thirty days after the effective date of the termination or expiration evidence satisfactory to BoConcept of Franchisee's compliance with the foregoing obligations

21 8 **Option to Purchase Assets** Upon the termination for any reason whatsoever or expiration of this Agreement, BoConcept or its Affiliates shall have a sixty (60) day option to purchase from Franchisee some or all of the equipment, supplies, inventory, advertising materials and any items with BoConcept's Marks for cash at fair market value If BoConcept and Franchisee do not agree upon the amount of the fair market value, then a business appraiser selected by BoConcept and Franchisee shall determine the fair market value The cost of the business appraiser shall be borne equally by BoConcept and Franchisee BoConcept has an unrestricted right to assign this option to a third party Any items not purchased by BoConcept or its assignee bearing any BoConcept Marks shall be immediately destroyed by Franchisee and any other items may be retained by Franchisee for personal use or donated to charity

21 9 **Continuing Obligations** All obligations of BoConcept, Franchisee and the Principals which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire

22 Agreed penalty

22 1 In lieu of terminating the Franchise, BoConcept may in its sole discretion, instead demand that the Franchisee pays an agreed penalty in the event of the Franchisee receiving written notice of two breaches of the same clause of the Franchise Agreement within any twelve (12) month period and the Franchisee failing to show, within seven (7) days of receipt of BoConcept's notice to BoConcept's satisfaction that the Franchisee is blameless in respect of such breaches

If, however, the breaches can be remedied, the agreed penalty may only be imposed if the remedial action has not been completed within two (2) months after the notice has been issued by BoConcept

22 2 The agreed penalty shall be €10,000 00 per breach In case of an ongoing breach, every calendar month commenced in which the breach is continuing to occur shall be considered a new independent breach in relation to the calculation of the agreed penalty Payment of the agreed penalty shall not reduce BoConcept's right to claim damages pursuant to the general rules of all applicable laws, and payment of the agreed penalty shall not entitle the Franchisee to continue the wrongful conduct A demand to pay an agreed penalty shall furthermore not prevent BoConcept from terminating the Agreement due to breach of contract pursuant to clause 21

22 3 No failure or delay on the part of BoConcept to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that (or any other) right or remedy, nor preclude or restrict its further exercise No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy

23 Renewal

23 1 No later than (180) calendar days before the end of the Term, the Franchisee shall be entitled to request in writing to BoConcept that the Agreement be renewed for an additional period of five (5) years from the expiration of the initial term

23 2 Provided that the Franchisee has not committed any material breach of this or any other Agreement with BoConcept or Affiliates and the following conditions for renewal are met BoConcept shall not unreasonably decline the Franchisee's request to have the Agreement renewed for an additional period of time pursuant to clause 23 1

23 2 1 The Franchisee shall sign a new franchise agreement on the terms and conditions utilized by BoConcept at that time and a new entrance fee shall be paid,

23 2 2 A new Development Plan is discussed, agreed upon and signed between the Parties no later than 60 days before the date where an additional period pursuant to clause 23 starts The Development Plan for the new term shall be determined with observance of all relevant market conditions and on the same principles as the Development Plan regarding the Term was determined,

23 2 3 In the event that the Franchisee has not signed and delivered the new franchise agreement to BoConcept within 30 calendar days from receipt by registered mail or overnight service with proof of delivery, the Franchisee shall forever forfeit the right to renew the Agreement and all franchise rights and the Territory may be sold or transferred to another party by BoConcept

23 2 4 No later than 60 days before the date where an additional period pursuant to clause 23 starts, a complete renovation of the Brand Store must be carried out in accordance with BoConcept's instructions Among other things, the Franchisee shall renovate, modernise, renew and replace the fixtures, signs, fittings and equipment to the extent necessary to bring the Brand Store to the standards stipulated by BoConcept at the time

23 3 The Agreement can only be renewed once pursuant to clause 23 However, the contract may be renegotiated between the Parties after expiration of the renewal period, but BoConcept is not obligated to enter into a new contract or to prolong the existing franchise contract On-going but non-concluded negotiations regarding a possible continued relationship between the parties shall not create any rights or obligations for any of the parties beyond the expiration of the Renewal Period

At any time after expiration of the term of this Agreement (initial or as extended in writing), BoConcept may notify Franchisee of the requirement that Franchisee sign the BoConcept's franchise agreement in use by BoConcept at the time of such notice and failure by Franchisee to sign such agreement(s) within thirty (30) calendar days after delivery of such notice and agreement to Franchisee shall be deemed an election by Franchisee not to renew and at any time thereafter BoConcept, at its sole election may terminate this Agreement and grant the rights herein to any other party (however Franchisee's obligations to BoConcept including payment and all interest and penalties shall continue until fully satisfied) If Franchisee, for any reason, abandons, surrenders, or suffers revocation or non-renewal of all or part of Franchisee's rights and privileges under this Agreement, then all such rights and privileges shall revert to the BoConcept

24. Force Majeure

24 1 It shall not be considered a breach of this Franchise Agreement if failure to perform an obligation is solely attributable to a documented event which is beyond the reasonable control of the party concerned, including fire, trade dispute, embargo, legislative measure, acts of war, civil commotion or similar events but only if the party concerned could not have foreseen the event at the time of assumption of the obligation As long as such an event effectively prevents the party from performing the obligation concerned, the duty to do so shall be suspended until the obstacle no longer exists

24 2 The provision of clause 24 1 shall at no time exempt the Franchisee from or suspend its obligations to make punctual payment of any amount which the Franchisee owes to BoConcept or any Affiliates at the time when the obstacle set in

25 Legal effects of expiration or termination of agreement

25 1 On expiration or termination of the agreement, regardless of the reason, whether voluntary or involuntary, all of Franchisee's rights hereunder including but not limited to the Right of Operation, Territory, and all franchise rights, shall terminate and the Franchisee shall immediately

25 1 1 Stop exercising the Right of Operation and terminate any use of the Concept, including any use of the trade names, trademarks, service marks, trade dress, signs, colors, structures, interior and exterior décor, business methods, Confidential Information, printed goods and all advertising with Brand Store name and logo "BoConcept" in any variations whatsoever and cancel any assumed name registrations The Franchisee shall thus not be entitled to use any operating furnishings, etc after expiration or termination of the Agreement,

25 1 2 Clean and vacate the premises and make these available to BoConcept if the premises have been assigned to BoConcept or a third party appointed by BoConcept together with any other assets belonging to BoConcept in complete, functional and well-maintained condition,

25 1 3 Return/Deliver to BoConcept the BoConcept Manual, both originals and all copies, all BoConcept signs and any other material received from BoConcept without retaining any copies in any form or format,

25 1 4 Give BoConcept unimpeded access to stocks, operating materials, furnishings, telecommunication, the IT Application and all data which is or should have been stored thereon,

25 1 5 Make payment of any outstanding amounts to BoConcept and Affiliates and/or suppliers of the Products, and other creditors including the landlord,

25 1 6 Prepare/Deliver to BoConcept a list of all current customer accounts, files/database including all contact information including addresses and telephone numbers of all of Franchisee's customers during the prior two years and carry out all actions necessary to assign such accounts to BoConcept or a subsequent Franchisee without charge,

25 1 7 Stop using any e-mail address made available by BoConcept for the duration of the Agreement

25 2 Unless otherwise agreed in writing with BoConcept, the Franchisee shall be obligated to ensure that all the Franchisee's employees have been given written notice and been laid off/terminated no later than as at the date of expiration or termination

25 3 The Franchisee shall be strictly prohibited from conducting any closing, lost franchise or lease, going out of business or clearance or any similar type sale and the "BoConcept" name shall not be used in connection with any such sale

25 4 All sums owed to BoConcept and Affiliates shall be paid or returned in strict compliance with all the above clauses and without abatement, set-off or deduction The Franchisee shall have no right to withhold any goods or payment based on any allegation that BoConcept or any Affiliate may be in breach of any clause of this Franchise or other Agreement or may owe any sums to the Franchisee

25 5 Beginning forty-five (45) days before the expiration of this Agreement or any extended term, BoConcept shall be entitled to inform the media and the Franchisee's associates, employees, customers and prospective customers and any other third parties including Franchisee's landlord, about the imminent expiration and in this connection BoConcept shall be able to give information about a possible new Franchisee who may in future exercise the Right of Operation

26 Governing law, enforcement and settlement of disputes

26 1 **Governing law/consent to jurisdiction** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Section 1051 et Seq) And except that all issues relating to Arbitration or the enforcement or interpretation of the Agreement to Arbitrate set forth in of this Section shall be governed by the United States Arbitration Act (9 U S C Section 1 et Seq) And the federal Common Law relating to Arbitration, this Agreement and the Franchise shall be governed by the internal laws of the State of Kansas (without reference to its choice of law and conflict of law rules) Franchisee, principals and guarantor(s) agree that BoConcept may institute any action against Franchisee, principals and guarantor(s) arising out of or relating to this Agreement (which is not required to be Arbitrated hereunder or as to which Arbitration is waived) in any Kansas State Court of general jurisdiction or a Federal Court for Kansas City, Kansas, and Franchisee, principals and guarantor(s) irrevocably submit to the jurisdiction of such Courts and waive any objection Franchisee, principals and guarantor(s) may have to either the jurisdiction or venue of such Court Notwithstanding anything herein to the contrary, certain States require that Venue for any legal actions regarding this Agreement or the Franchise shall lie and in some cases, will be interpreted in accordance with the substantive laws of the State of residence of the Franchisee or State of store location in accordance with each individual States Franchise laws then in effect (including but not limited to the state of Illinois)

26 2 ENFORCEMENT

A **INJUNCTIONS** BoConcept shall have the right to enforce by judicial process any rights it may have and pursuant to the Covenant Not to Compete provisions of this Agreement Further, BoConcept shall be entitled without bond to obtain temporary, preliminary, and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement or any other related Agreement relating to Franchisee's use of the BoConcept marks, Franchisee's obligations upon termination or expiration of this Agreement and assignments or attempted assignments of the Franchise and Franchisee's ownership interest If BoConcept secures any such injunction or order of specific performance, Franchisee agrees to pay to BoConcept an amount equal to the aggregate of its costs of obtaining such relief, including without limitation, reasonable attorneys' fees, costs, and expenses as provided in this Section, and any damages incurred by BoConcept as a result of the breach of any such provision

B **ARBITRATION** Except insofar as BoConcept as provided in the paragraph above this Section elects to enforce this Agreement or any other related Agreement, all controversies, disputes, or claims arising between BoConcept, its affiliates, and their respective officers, directors, agents, shareholders, members, employees and attorneys (in their representative capacity) and Franchisee (Franchisee's owners, principals, guarantors, affiliates and employees, if applicable) arising out of or related to (1) this Agreement or any provision thereof or any related Agreement, (2) the relationship of the parties hereto, (3) the validity of this Agreement or any related Agreement, or any provision thereof, or (4) any specification, standard, or operating procedure relating to the establishment or operation of the Franchise shall be submitted for Arbitration to be administered by the American Arbitration Association on demand of either party Such Arbitration proceedings shall be conducted in the city where BoConcept's headquarters are located when the proceedings are conducted and, except as otherwise provided in this Agreement, will be heard by three (3) Arbitrators in accordance with the then current commercial Arbitration rules of the American Arbitration Association Each party shall select one arbitrator, and the two so designated shall select a third arbitrator If either party shall fail to designate an arbitrator within seven (7) days after Arbitration is requested, or if the two Arbitrators shall fail to select a third arbitrator within fourteen (14) days after Arbitration is requested, then an arbitrator shall be selected by the American Arbitration Association upon application of either party Except as limited by this Agreement, the Arbitrators shall have the right to award or include in the award any relief which they deem proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs in accordance with the terms of this Agreement, provided that the Arbitrators will not have the right to declare any mark generic or otherwise invalid or to award exemplary or punitive damages The award and decision of the majority of the Arbitrators shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any Court of competent jurisdiction, and each waives any right to contest the validity or enforceability of such award The parties further agree to be bound by the provisions of any applicable limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier The parties further agree that in connection with any such Arbitration proceeding each shall file any compulsory counterclaim (as defined by rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates within thirty days of the date of the filing of the claim to which it relates Any such claim which is not submitted or filed as described above will be forever barred This provision shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement

C **BOCONCEPT MAY REPRESENT AFFILIATES** BoConcept Franchise, Inc , shall have the right to pursue any claim on behalf of itself and/or any affiliate for any amounts owed by Franchisee to BoConcept Franchise or any of its Affiliates in any legal proceeding before a Court of competent jurisdiction or an Arbitrator whether the amount owed is to any affiliate of BoConcept Franchise (including but not limited to BoConcept, USA, Inc , and BoConcept or BoConcept A/S)

D **COSTS AND ATTORNEYS FEES** If a claim for amounts owed by Franchisee to BoConcept or its Affiliates is asserted in any legal proceeding before a Court of competent jurisdiction or an arbitrator, or if BoConcept or Franchisee are required to enforce this Agreement in a judicial or Arbitration proceeding, the party prevailing in such proceeding shall be entitled to recover from the other its costs and expenses, including without limitation, Arbitration fees, Court costs, fees for in-house or outside attorneys and paralegals, management preparation time, expert witness fees, reasonable collection agency fees, accounting fees and Arbitrator fees, whether incurred prior to, preparation for or in contemplation of the filing of such proceeding If BoConcept is required to engage a collection agency or legal counsel in connection with any failure by Franchisee to pay when due amounts due BoConcept, or to submit when due any reports, information, or supporting records, or in connection with any failure to otherwise comply with this Agreement, Franchisee shall reimburse BoConcept for any of the above listed costs and expenses incurred by it

E **WAIVER OF PUNITIVE DAMAGES AND CLASS ACTION AND JURY TRIAL** BoConcept and Franchisee hereby waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any (i) actual damages sustained by it and (ii) trademark law treble damages BoConcept and Franchisee hereby agree that any Arbitration or any legal proceeding before any Court of competent jurisdiction shall be conducted on an individual, not class-wide basis, and that any Arbitration or Court legal proceeding between BoConcept and/or its Affiliates (and any of their respective shareholders, members, officers, directors, agents and employees) and the Franchisee (and/or any of Franchisee's owners, principals, guarantors, affiliates and employees, if applicable) may not be consolidated with any other Arbitration or Court legal proceeding between BoConcept and/or any of its Affiliates and any other person, nor shall the arbitrator or Court be empowered to order such consolidation BoConcept and Franchisee irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of them

F **LIMITATION OF CLAIMS** Except for claims arising from underreporting of gross sales by Franchisee or nonpayment of amounts owed by Franchisee to BoConcept or its Affiliates pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or the relationship of BoConcept and Franchisee in the connection with Franchisee's operation of the business shall be barred unless an action or proceeding is commenced within one year from the date of the occurrence of the facts giving rise to such claims

27 Changes and/or adjustment

27 1 Changes to the present Franchise Agreement shall only apply if the change is issued in writing and signed by both Parties and only if it is expressly stated that this is a change to the Franchise Agreement

27 2 This Agreement shall be binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest All notices, requests, demands, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when tendered for delivery if delivered by hand, or one day after the date of deposit if deposited with a commercial delivery service which guarantees next day delivery, or two days after deposit if mailed certified mail, return receipt requested, postage prepaid, addressed to the appropriate party at their respective addresses above or at such other place as the party entitled to notice may designate by notice given in the same manner to the other Time is of the essence of this Agreement and all provisions shall be so interpreted If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by this law or rule shall be substituted for the requirements of this Agreement The obligations and authorizations hereunder shall be joint and several

Anywhere in this Agreement Franchisee's shareholders (in the case of a corporation) or partners (in the case of a partnership) or owners of any other type of legal entity are referred to, this provision shall also apply fully and personally to any member of any limited liability BoConcept or any other legal entity The invalidity of any provision of this Agreement shall not impair the validity of any other provision If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, that provision will be deemed severable and this Agreement may be enforced with that provision severed or as modified by the court In the case of any questions of ambiguity relating to any provisions contained herein, there shall not be any construction against the drafter of the document The preamble and recitals set forth above are hereby incorporated into and made a contractual part of the covenants of this Agreement The Appendices and/or exhibits referred to in this Agreement are attached hereto, made a part hereof, and are incorporated herein by reference

27 3 The headings and captions in this Agreement are inserted for convenience only and shall not constitute a part hereof or affect the construction or interpretation of any provision of this Agreement Whenever required by context, the masculine pronouns shall include the feminine and neuter genders and the singular shall include the plural and vice versa No waiver of or failure to enforce any of the provisions, terms, conditions, or obligations herein by any party shall be construed as a waiver of any subsequent breach of such provision, term, condition, or obligation of this Agreement or of any other provision, term, condition, or obligation hereunder, whether the same or different nature Subsequent acceptance by BoConcept or any Affiliate of the payments due it hereunder shall not be deemed to be a waiver by BoConcept of a preceding breach by Franchisee If there develops a custom or practice which is at variance with the terms of this Agreement, BoConcept will not be deemed to have waived its right to demand exact compliance with any of the terms of this Agreement at a later time Franchisee acknowledges that BoConcept has, and will in the future enter into license or franchise agreements with third parties pursuant to which such third parties are licensed to use the Marks and otherwise receive the benefits of the System (the "Other Agreements") Franchisee acknowledges that the provisions of the Other Agreements have or may vary substantially from those contained in this Agreement No action taken by BoConcept with respect to any one or more of the Other Agreements or any party thereto shall create a course of conduct which may be relied upon or asserted by Franchisee under this Agreement as a modification to this Agreement or otherwise BoConcept shall not bear any liability whatsoever to Franchisee under this Agreement by reason of BoConcept's failure to waive any of the provisions of this Agreement, or to give a consent or approval hereunder even though BoConcept may have waived such provisions or similar provisions or given similar consents or approvals under any one or more of the Other Agreements The rights of BoConcept and Franchisee hereunder are cumulative and no exercise or enforcement by BoConcept or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by BoConcept or Franchisee of any other right or remedy hereunder or which BoConcept or Franchisee are entitled by law to enforce No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent

27 4 If by virtue of the community property laws of any state, Franchisee Principal's spouse is deemed to have any property interest in this Agreement, Franchisee's ownership interest, or the Franchised Business, BoConcept shall have the right to require Franchisee's spouse to con-sent and join in all of the terms and conditions of this Agreement, any related agreements and any amendments thereto

28 Adjustments of amounts

28 1 The amounts mentioned in this Agreement, e g clauses 8 4 and 22 2, shall be adjusted in accordance with the percentage development in the Danish net price index for January based on the Danish net price index for January **[INSERT]** This adjustment shall be effected for the first time on **[INSERT]** based on the development in the Danish net price index from January **[INSERT]** to January **[INSERT]** The next adjustment shall then be effected as at **[INSERT]**, etc

29 Individual terms

29 1 Individual terms to this Agreement (if any) are listed in Appendix 8 Amendment

30 Language of the Agreement

30 1 BoConcept and the Franchisee agree that this Agreement is written into the English version, which is the binding version The Franchisee expressly acknowledges that he/she is familiar enough with the English language and that he/she fully understands any and all provisions of this Agreement The Parties agree that there will be prepared a [INSERT] translation of this standard franchise agreement, which shall be initialled by them In the event of any conflict between the [INSERT] translation of the standard franchise agreement and the English version thereof, the English version shall prevail

31. Appendices

31 1	Appendix 1	Documentation of the foundation and existence of the Franchisee
31 2	Appendix 2	Table of Contents for the BoConcept Manual
31 3	Appendix 3	Specification of Territory
31 4	Appendix 4	Development Plan
31 5	Appendix 5	3-year budget
31 6	Appendix 6	Requirements for the Franchisee's homepages and Internet sale
31 7	Appendix 7	Supply Agreement
31 8	Appendix 8	Individual Terms-Amendment (if any)

32 **Acknowledgments** Franchisee hereby acknowledges that Franchisee received BoConcept' Franchise Disclosure Document and all Appendices and Exhibits at or prior to Franchisee's first personal meeting with BoConcept and at least fourteen business days prior to the signing of this Agreement Franchisee acknowledges that Franchisee has read and understands the Franchise Disclosure Document and this Agreement Furthermore, if this is a renewal or re-execution of any existing Franchise Agreement (including without limitation any with an expired term) then Franchisee hereby explicitly acknowledges and agrees that BoConcept's signatures hereto shall not be deemed to be any waiver whatsoever by BoConcept for any previous or existing breach whatsoever by Franchisee of any term or provision of any prior Franchise Agreement or any other agreement between the parties, or BoConcept's ability to pursue Franchisee for any remedies and damages at law and equity for any such prior or existing breach at any time hereafter Franchisee acknowledges that Franchisee has had the time and opportunity to obtain the advice and assistance of independent attorneys, accountants and other professional advisors and that all of Franchisee's questions regarding the Franchised Business have been answered to Franchisee's satisfaction prior to Franchisee's signing of this Agreement Franchisee acknowledges that Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain BoConcept's high standards of quality and service and the uniformity of those standards at all Franchised Businesses in order to protect and preserve the goodwill of the Marks Franchisee acknowledges that Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognized that, like any other business, the nature of the Franchised Business may evolve and change over time, that an investment in a Franchise Business involves business risks and that the success of the venture is largely dependent upon Franchisee's business abilities and efforts Franchisee acknowledges that neither BoConcept nor any of its Affiliates or agents has made any oral, written or visual representations or projections of actual or potential sales, costs, earnings, income, gross or net profits or success of the business venture contemplated by this Agreement Franchisee acknowledges that Franchisee has not received or relied on any representations about the franchise by BoConcept or its Affiliates and their respective officers, directors, employees or agents that are contrary to the statements made in BoConcept's Franchise Disclosure Document or to the terms herein

Franchisee further acknowledges that in all of Franchisee's dealings with BoConcept, and its Affiliates that their respective officers, directors, employees and agents act only in a representative capacity, not in an individual capacity Franchisee further acknowledges that this Agreement and all business dealings between Franchisee and such persons as a result of this Agreement are solely between Franchisee and BoConcept and in some cases, it's Affiliates Franchisee acknowledges that BoConcept and Affiliates reserve the right, without accountability to Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by BoConcept from any supplier who has been approved by BoConcept from time to time in connection with the supply of goods, fixtures, furnishings, equipment, signs, supplies, and other products or services for the Franchised Business Franchisee acknowledges that the covenants not to compete set forth in this Agreement are fair, reasonable and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors Franchisee affirms that all information set forth in any and all applications, financial statements and submissions to BoConcept is true, complete and accurate in all respects, with Franchisee expressly acknowledging that BoConcept is relying upon the truthfulness, completeness and accuracy of such information Each party to this Agreement states that he or she has no legal claims against BoConcept or any of its Affiliates and releases BoConcept and all Affiliates and their respective officers, directors, managers, agents and employees from any damage, expense, claim or actions of the past

33 **Copies** The present Agreement shall be signed and the bottom of each page initialled in two original copies, of which either party shall receive one copy This Agreement contains the sole and only agreement between the parties as to the matters, privileges, rights, titles, interests, duties, obligations, and performances herein set forth, all prior negotiations, verbal or written, being integrated herein and hereby, and same shall only be changed, altered, modified, amended, supplemented or novated by a writing signed by all the parties hereto and nothing in this Agreement or in any related agreement is intended to disclaim the representations of BoConcept or any Affiliate made in the Franchise Disclosure Document This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument

IN WITNESS, WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written

BOCONCEPT FRANCHISE, INC	**FRANCHISEE (Entity)** ____________________ **(Name)**
By. ____________________	**By** ____________________
Print Name ________________	**Print Name** ________________
Title ____________________	**Title** ____________________

ALL INDIVIDUAL OWNERS PERSONAL GUARANTY, SECURITY AGREEMENT

The undersigned, representing they are all of the individual owners and spouses of Franchisee, hereby unconditionally undertakes as owner and agrees to be individually, personally and jointly and severally liable and bound by all terms (including but not limited to paragraph 5) and all other obligations whatsoever under the Franchise Agreement and any current or future loan agreements or any other related agreements with BoConcept and any of its Affiliates all such agreements collectively referred to as "Agreements") as a guarantor on first demand with primary liability for complete and timely compliance of the Agreements, including but not limited to the complete and timely payment of all monies payable under the Agreements(including but not limited to all amounts for any inventory, fixtures or any other items purchased from BoConcept and Affiliates and any services provided by BoConcept and Affiliates) and all accrued interest, contractual penalties and any other costs or fees to BoConcept and Affiliates, and shall immediately on first demand, pay to BoConcept or any person or entity to whom BoConcept chooses to transfer the rights and obligations under the Agreements all monies so payable Furthermore, any subsequent modifications or amendments to any such Agreements shall not extinguish the undersigned's obligations herein and the undersigned hereby waives any right to approve any later modifications or amendments to such Agreements The undersigned shall also be personally liable under and bound by the restrictions regarding participation in other commercial activities than the operation of the BoConcept business etc , and confidentiality and noncompetition including payment of all agreed costs and damages The undersigned also hereby agrees to the grant of a security interest in all items specified in paragraph 5 of the Franchise Agreement This guaranty and security agreement shall be fully enforceable without signing any other separate documents and are incorporated into the Franchise Agreement These obligations are governed by U S law, and include all present and future advances, interest and costs under all Agreements, and are all joint and several against each person signing, and include all owners' spouses (and by not including and having a spouse sign, the undersigned is representing that they are currently unmarried) At the time of signing the undersigned shall be provided with a copy of this Agreement

1) ____________________ **(signatures)** ____________________ **(Spouse)**

[Director/Owner/Spouse-Name, home address, citizenship, date of birth, social security number,]

2) ____________________ **(signatures)** ____________________ **(Spouse)**

[Director/Owner/Spouse-Name, home address, citizenship, date of birth, social security number,]

3) ____________________ **(signatures)** ____________________ **(Spouse)**

[Director/Owner/Spouse-Name, home address, citizenship, date of birth, social security number,]

4) ____________________ **(signatures)** ____________________ **(Spouse)**

[Director/Owner/Spouse-Name, home address, citizenship, date of birth, social security number,]

5) ____________________ **(signatures)** ____________________ **(Spouse)**

[Director/Owner/Spouse-Name, home address, citizenship, date of birth, social security number,]

(Additional space can be provided if necessary)

Appendix 2 – BoConcept Manual:

To the BoConcept Franchise, Inc , Franchise Agreement
Issuance Date Janaury 1, 2018

The BoConcept Brand & Value Book

The BoConcept Product & Accessories collection – elearning

The BoConcept Intranet http //intranet boconcept com/

- The BoConcept Communication Platform
  - 6 Campaigns
- The BoConcept On-line Decoration
- The BoConcept Shopfixture Assortment
- The BoConcept University Training Programmes
- The BoConcept ERP-system Dynamics AX (Axapta)

The BoConcept Powerbook http //intranet boconcept com/boconcept/bpb nsf

- The 9 faces of running a BoConcept store
- The BoConcept Monday Report
- The BoConcept Store Report
- The BoConcept P&L Report
- The BoConcept Furniture Care Guide
- The Delivery & Assembly Guideline
- After Sales Service & Compensation policy
- The BoConcept Quality Handbook

The BoConcept Web page http //www boconcept com/

- The BoConcept Catalogue

The BoConcept Inspirations

The BoConcept Imagebank http //image boconcept com/

The BoConcept Pricelist http //mail boconcept com/Boconcept/DM/PriceBook nsf

The BoConcept Mystery Shopping Report http //www wilkeonline com/boconcept/

APPENDIX 3 – TERRITORY

Store Locatıon ________________

On [INSERT EFFECTIVE DATE],

BoConcept Franchıse, Inc
142A LeFante Way, Bayonne, New Jersey 07002
(hereınafter referred to as" BoConcept")

and

the Franchısee ________________
[Address]
[Postal code + town]
Reg no [xxx]
(hereınafter referred to as" the Franchısee")

BoConcept and the Franchısee are jointly referred to as "the Partıes" and ındıvıdually as "a Party"

entered ınto a Franchıse Agreement concernıng the operatıon of a Brand Store at

____

Thıs Agreement shall gıve the Franchısee the exclusıve rıght to open Brand Stores wıthın the Terrıtory as long as the Franchısee strıctly complıes wıth the Development Plan
The **Terrıtory** comprıses ____

____

FRANCHISOR·
BoConcept Franchıse, Inc

By ______________________________
Prınt Name· ________________________
Tıtle· ____________________________

FRANCHISEE (Entıty)
___________________________ **(Name)**

By ______________________________
Prınt Name ________________________
Tıtle ____________________________

APPENDIX 4 – DEVELOPMENT PLAN

On **[INSERT EFFECTIVE DATE]**

BoConcept Franchise, Inc.
142A LeFante Way, Bayonne, New Jersey 07002
(hereinafter referred to as" BoConcept")

And

the Franchisee ______________________
[Address]
[Postal code + town]
Reg no [xxx]
(hereinafter referred to as" the Franchisee")

BoConcept and the Franchisee are jointly referred to as "the Parties" and individually as "a Party",

entered into a Franchise Agreement concerning the operation of a Brand Store (Store #1 below) at (INSERT-Address____) As part of the Agreement, the Parties have agreed that the Franchisee shall be required to comply with this Development Plan Franchisee shall be required to open the following number of store locations within the specified time frame In the event Franchisee fails to strictly adhere to the number of store openings and time frames herein, then at BoConcept's sole election, Franchisees' Territory may be reduced to a radius of between 2 to 5 miles (depending upon population density in BoConcept's sole determination) from each store location currently open and operated by Franchisee and the Territory for any subsequent stores are deemed forfeited by Franchisee and Franchisor can sell the forfeited portion of the Territory to any third party

Store	**Location**	**Time**
(indicates store number)	(indicates the Place of Business in the Territory)	(indicates the date on which the Brand Store must be opened for customers)
Store # 1-per Agreement	Address above	
Store 2		
Etc		

FRANCHISOR
BoConcept Franchise, Inc

By ______________________________
Print Name ______________________
Title ___________________________

FRANCHISEE (Entity)
______________________ **(Name)**

By ______________________________
Print Name ______________________
Title ___________________________

APPENDIX 6 Issuance Date: January 1, 2018

REQUIREMENTS FOR FRANCHISEE'S HOMEPAGES AND INTERNET SALES

Store Location ___________

On [INSERT EFFECTIVE DATE]

BoConcept Franchise, Inc
142A LeFante Way, Bayonne, New Jersey 07002
(hereinafter referred to as" BoConcept"), and

the Franchisee ____________________________
[Address]
[Postal code + town]
(hereinafter referred to as" the Franchisee")

BoConcept and the Franchisee are jointly referred to as "the Parties" and individually as "a Party",

In the event that the Franchisee wishes to establish a homepage or webpage in accordance with Sections 11 4 and 11 5 of the Franchise Agreement for the purpose of selling the Products or starting up Internet sales of the Products strictly within Franchisee's then current Territory, the below provisions shall apply in addition to the Franchise Agreement and the BoConcept Manual and in any conflict between this Appendix and the Franchise Agreement, the Franchise Agreement shall always control

1 In a separate and clearly marked text box it shall appear from the homepage start page language clearly stating that the web page is owned and operated by an independent Franchisee with no common ownership with BoConcept Franchise, Inc or any of its Affiliates (collectively "BoConcept") and provide the name of Franchisee, and further clearly state that neither BoConcept Franchise Inc nor any of its affiliates are responsible or liable for any of the homepage or webpage contents whatsoever However, there may be pre-approved links to www boconcept com

2 The homepage start page shall contain explicit information on who is responsible for the homepage, including name of store, name of owner, company registration number, address and telephone number, and e-mail address and other relevant information and further state that neither BoConcept Franchise Inc nor any of its affiliates are responsible or liable for any of the homepage or webpage contents whatsoever

3 BoConcept's logo shall only be used and placed where pre-approved in writing by BoConcept and shall not ever be placed in immediate connection with the store name, and BoConcept's logo and BoConcept's characteristics shall solely be used in accordance with the Franchise Agreement and the BoConcept Manual

4 The Franchisee shall at all times use the structure and contents specified in writing by BoConcept

5 Franchisee shall not establish or use any homepage or website without BoConcept's prior written approval and all form, content and revisions thereof shall require BoConcept's prior written approval The Franchisee shall regardless of clause 11 4 and 11 5 be entitled to establish a local homepage for sale of BoConcept products, provided that all domains, URL's and homepage/web-sites are solely owned and administered by BoConcept and all content and revisions are preapproved in writing by BoConcept and all passwords set and controlled only by BoConcept as sole administrator

6 The homepage shall always be approved in writing by BoConcept before use Before initiating use of the homepage, the Franchisee shall consequently make a sample of the planned homepage available to BoConcept BoConcept shall subsequently be granted a time for approval of maximum 30 days from receipt of satisfactory material

7 The messages and contents of the homepage shall be in compliance with BoConcept's marketing strategy at any time and the Concept which shall be communicated on a continuous basis, and also reflect the image that the customers expect when they visit a physical Brand Store In terms of price the same rules shall apply as for sales from a physical store

8 The homepage shall always be up-to-date, maintained and also look professional This means that it shall not be of a quality that is inferior to BoConcept's homepage – www boconcept com For instance, it shall not contain any grave or conspicuous errors as regards grammar and spelling or in any other manner discredit BoConcept among the consumers

9 The homepage shall comply with all applicable laws in force at any time, including the provisions of all local and Federal laws on fair trading and consumer practices

10 The e-mark rules and similar international rules of good practice when doing business on the Internet shall be complied with

11 The E-store ability to supply shall not be inferior to the ability to supply required by the physical stores

12 The ownership of the Internet store shall be subject to the same rules governing ownership and non-competition clauses in the Franchise Agreement Notwithstanding anything elsewhere to the contrary all domains, URL's and homepage/web-sites are solely owned and administered by BoConcept

13 Material breach of one or more of the above provisions shall be dealt with in the same manner as material breach of the Franchise Agreement and the BoConcept Manual

FRANCHISOR	**FRANCHISEE (Entity)**
BoConcept Franchise, Inc.	______________________ **(Name)**
By ______________________	**By** ______________________
Print Name ________________	**Print Name** ________________
Title ______________________	**Title** ______________________

APPENDIX 7 -- SUPPLY AGREEMENT

Store Location ___________

On **[INSERT EFFECTIVE DATE]**,

BoConcept Franchise, Inc
142A LeFante Way
Bayonne NJ, 07002
(hereinafter referred to as" BoConcept")

and

the Franchisee. ___________________________
[Address]
[Postal code + town]
Reg no [xxx]
(hereinafter referred to as" the Franchisee")

BoConcept and the Franchisee are jointly referred to as "the Parties" and individually as "a Party"

entered into a Franchise Agreement concerning the operation of a Brand Store at (INSERT)

Issuance Date January 1, 2018

Index

1. Background

The Franchisee has entered into a franchise agreement (" the Franchise Agreement") with BoConcept on [date] concerning use of BoConcept's concept (" the Concept")

BoConcept supplies to the Franchisee the products marketed under the "BoConcept" trademark under the Concept comprehended by the Franchise Agreement, cf clause 1 1

The Franchisee and BoConcept have consequently entered into this agreement (" the Agreement") concerning delivery of the products marketed under the "BoConcept" trademark This Agreement forms part of the Franchise Agreement, cf Appendix 7 of the Franchise Agreement The Franchise Agreement is thus an integral part of the Agreement, and takes precedence in case of difficulty of interpretation or disagreement, the terms of the Franchise Agreement shall control and prevail

Unless otherwise agreed in writing, BoConcept shall make all supplies, cf clause 0, on the terms and conditions specified in this Agreement, notwithstanding any opposing or deviating provisions in the order or acceptance of the Franchisee

2 Definitions

All concepts and terms used in this Agreement shall have the same meaning as ascribed to them in the Franchise Agreement. In case of any discrepancy between the definitions in this Agreement and in the Franchise Agreement, the definition in the Franchise Agreement shall prevail at the interpretation of the contract

Defective Products shall mean Products, which have been produced with a defect, which causes damage to other goods or personal injury or death

Non-Conforming Products shall mean Products which are not of the quantity, quality and description required by the Parties' agreement

3 Products

The products contemplated by this Agreement are the product range offered for sale by BoConcept at any time These products are presented in the annual BoConcept main catalog

The Franchisee shall buy the Products directly from BoConcept or its Affiliates pursuant to this Agreement

BoConcept's performance shall solely comprise the parts and goods specified in the order confirmation

4 Prices

The price list applicable at any time for the products comprised by this Agreement has been included in the BoConcept Manual

BoConcept intends to adjust product prices once a year in connection with the publication of the main catalog However, BoConcept is at any time, with ninety (90) calendar days' prior notice, entitled to make price adjustments and consequently amend the current price list and terms

5 Terms of payment

The Franchisee shall be invoiced in US Dollars ("USD") in connection with the products being loaded on a truck or another means of transport at the factory where the products are produced

The invoice amount shall be payable within ninety (90) calendar days from the date of initial Invoice , cf clause 5 5

Default interest of shall be charged on the invoice amount after the due date

The Franchisee shall pay all costs and fees related to payment transfers

In the event that the Franchisee does not pay overdue invoices within seven (7) days after the due date, cf clause 5 5, BoConcept shall be entitled to withhold any further supplies to the Franchisee

6 Minimum Advertising Expenditures, Price Structure

In compliance with clause 11 of the Franchise Agreement, the Franchisee agrees to expend at least a total of eight percent (8%) of Franchisee's Annual Gross Sales each fiscal year on local advertising and promotions for the Franchised Business Expenditures that apply include payments for Opening Marketing fees, contributions to BoConcept-approved advertising cooperatives, advertising media such as television, radio, newspaper, billboards, magazines, posters, direct mail, yellow pages, program booklet advertising, collateral promotional and novelty items, advertising on public vehicles, and cost of producing approved materials (not provided by BoConcept), and media costs, including advertising agency commissions for advertising production Expenditures in any fiscal year exceeding such minimum advertising requirement shall not be credited against minimum advertising requirements for any other fiscal year Expenditures shall not include payments for items which BoConcept, in its reasonable judgment, deems inappropriate for meeting the minimum advertising requirements, including, without limitation, permanent on-premises signs, lighting, purchasing or maintaining vehicles, even though such vehicles may display the Marks, and other payments BoConcept has the right to review Franchisee's books and records from time to time to determine Franchisee's compliance with this requirement and if BoConcept determines that Franchisee has not spent the requisite amount, BoConcept may either require Franchisee to pay such unexpended amounts to BoConcept to apply to marketing for the store, or terminate the Franchise Agreement

Appendix A of this Supply Agreement contains a calculation example exemplifying the price structure for the Franchisee in compliance with the Franchise Agreement and this Supply Agreement

7. Retention of title

The Products shall remain the property of BoConcept until payment has been made in full to the extent that such retention of title is valid according to applicable law

8 Delivery

Delivery shall be ____ ("Delivery Duty Paid" ("DDP") if left blank, cf Incoterms 2010

The Franchisee shall check the Products for defects upon delivery, cf 10

If the Franchisee fails to pick up the Products or arrange for transportation at the time of delivery, 8 1 and 9, BoConcept is entitled to store and insure the Products and charge the Franchisee's account

The Franchisee's failure to take delivery despite BoConcept's written request to do so within fourteen (14) calendar days shall entitle BoConcept to sell the Products under the best possible conditions on the Franchisee's account

9 Time of delivery

All delivery dates and times of delivery specified or notified by BoConcept have been estimated to the best of BoConcept's judgment and shall not be binding upon BoConcept unless it has been explicitly agreed and specified that a fixed time of delivery has been agreed for the delivery

If a fixed time of delivery has been explicitly agreed, BoConcept is entitled to postpone or extend the time of delivery by fourteen (14) business working days BoConcept is entitled to extend or postpone the time of delivery several times, cf also the provisions in the BoConcept Manual concerning Claim and compensation policy

The Franchisee is not entitled to claim any other remedies for breach relating to the delay than specified in the Claim and compensation policy clause of the BoConcept Manual applicable at any time and is thus prevented from claiming any damages from BoConcept BoConcept shall thus in no circumstances be liable for operating loss, loss of time, loss of profit or any other direct or indirect loss or consequential damages whatsoever

10 Non-Conforming Products

Complaints regarding non-conformities in the Products shall be made to BoConcept in writing in English or Danish stating which of the Products are non-conforming and the nature of the non-conformity

In addition, complaints must meet the guidelines and directions specified in the BoConcept Manual, including claims deadlines etc , cf especially the Claim and compensation policy specified in the BoConcept Manual

Complaints regarding Non-Conforming Products shall be made within 14 calendar days after the Franchisee has discovered or ought to have discovered the non-conformity, and not later than 24 months from delivery of the Products, as claims on account of the non-conformity can otherwise not be made The factor deciding whether the deadline for complaints has been observed is the time of receipt of the complaint at BoConcept's place of business

A general reference is made to the provisions and guidelines etc in the "Claims and compensation policy" section of the BoConcept Manual

11 Returns

Products shall only be returned according to written agreement with BoConcept

Returns shall be credited according to the Franchisee's purchase price Returns shall be accompanied by a return note referring to the agreement on return and be appropriately packaged and marked

Returns shall be returned by the delivering carrier at the Franchisee's sole risk

12 Liability and exclusion of liability for Non-Conforming Products

Provided that all agreed terms of payment are complied with, that the Products purchased are stored, used and maintained correctly, BoConcept will for a period of two (2) years counted from the date of delivery, at BoConcept's option make replacement supplies or repair such parts of the Products purchased as have verifiable non-conformities causing the Non-Conforming Products to be unmarketable The non-conforming parts shall be returned to BoConcept if BoConcept should so specify

The Franchisee cannot rely on any other remedy based on a non-conformity than those specified in clause 0 The Franchisee shall thus not be entitled to cancel the purchase order, claim a proportional reduction or compensation for any kind of loss or cost which may be caused by a non-conformity

The Franchisee is not entitled to claim any other remedies for breach relating to the delay than those specified in this clause 12 and is thus prevented from claiming damages from BoConcept BoConcept shall thus in no circumstances be liable for operating loss, loss of time, loss of profit or any other direct or indirect loss or consequential damages whatsoever

In the event that a third party makes any claim or takes any legal action against the Franchisee, the Franchisee shall be under an obligation to immediately inform BoConcept hereof The Franchisee shall also accept to be a co-defendant in the same court as the one in which an action is brought against BoConcept by a third party The Franchisee shall indemnify BoConcept (for any and all costs, including legal fees, damages and awards) in any respect to the extent that BoConcept is held liable to any third party for such damage and such loss for which BoConcept is not liable to the Franchisee under clause 12 of this Agreement

13 Product Liability

BoConcept shall only be liable for personal injury or damage to property caused by a Defective Product delivered by BoConcept if and to the extent that this follows from mandatory law on product liability

14 Termination

This Agreement shall expire at the same time as the Franchise Agreement irrespective of cause This Agreement may solely be terminated by simultaneous termination of the Franchise Agreement and with the notice periods specified therein

In case of the Franchisee's material breach of this Supply Agreement, BoConcept shall be entitled to terminate the Franchise Agreement concluded by the Parties with immediate effect, and thus also this Supply Agreement, cf clause 0

In case of BoConcept's material breach of this Supply Agreement, the Franchisee shall not be entitled to terminate the Franchise Agreement concluded by the parties, unless the Franchise Agreement specifically provides the Franchisee with the authority to do so

15 Force majeure

A Party shall not be liable to pay damages for non-performance of its obligations if the Party can prove that this is due to conditions beyond the Party's control and that the Party neither at the time of conclusion of the Agreement, at the time of placing of an order or subsequently could be expected to have considered such conditions or have avoided or overcome them or their consequences Force majeure events shall include e g war, civil war, riots, public restrictions, import and export prohibitions as well as other public intervention, natural disasters, strikes and lock outs, malicious damage, theft, failing energy supply, breakdown of communication lines, confiscation of funds or other similar extraordinary events beyond the reasonable control of the Party

The Party's obligations shall be suspended until the time at which the Party concerned is able to fulfil its obligations again

16 Arbitration

Since this Supply Agreement is an integrated part of the parties' Franchise Agreement, clause 26 of the Franchise Agreement regarding governing law and settlement of disputes shall be applicable to this Supply Agreement

17 Appendices

Appendix A Example of price structure

FRANCHISOR	**FRANCHISEE (Entity)**
BoConcept Franchise, Inc	**______________________ (Name)**
By ______________________	**By** ______________________
Print Name __________________	**Print Name** __________________
Title ______________________	**Title** ______________________

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

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

If a state is not listed, BoConcept Franchise, Inc has not appointed an agent for service of process in that state in connection with the requirements of franchise laws There may be states in addition to those listed above in which BoConcept Franchise, Inc has appointed an agent for service of process

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

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	Commissioner of Corporations Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505	Attorney General's Office 110 West A Street, Suite 1100 San Diego, CA 92101 (619) 645-2050
	Sacramento 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205	Corporations Commissioner Dept of Corporations Los Angeles 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505
	San Francisco 71 Stevenson Street, Suite 2100 San Francisco, CA 94105 - ph (415) 972-8559	
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8299 or (860) 240-8232
DISTRICT OF COLUMBIA	Superintendent of Corporations, Dept of Consumer and Regulatory Affairs, Business and Professional Licensing Adm Corporations Div , Mail-PO Box 92300, Washington, DC 20090	(Not Applicable)
	Overnight- 1100 4th Street, SW 2nd Floor, Washington, DC 20024 - ph (202) 442-4400	
FLORIDA	NRAI Services, Inc 515 East Park Avenue Tallahassee, FL 32301	Senior Consumer Complaint Analyst Dept of Agriculture and Consumer Serv
	Secretary of State P O Box 6327 Tallahassee, FL 32314 (850) 245-6953	Terry Lee Rhodes Building 2005 Apalachee Pkwy Tallahassee, FL 32399 (850) 488-2221

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
GEORGIA	Corporations Division Suite 313 West Tower 2 Martin Luther King Jr Dr Atlanta, GA 30334-1530 (404) 656-2817	Office of Consumer Affairs No 2 - Martin Luther King Dr Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Securities Department Jefferson Terrace 300 West Jefferson St , Suite 300A Springfield, IL 62702 (217) 782-2256
INDIANA	Secretary of State Administrative Offices 201 State House Indianapolis, IN 46204 (317) 232-6681	Indiana Office of Attorney General Consumer Protection Division 302 West Washington Street, IGCS 5th Floor Indianapolis, IN 46204 (317) 232-6330
IOWA	Iowa Secretary of State 1007 East Grand Avenue Room 105, State Capitol Des Moines, IA 50319 (515)-281-8993	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of Attorney General-Securities Div 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce Corporations and Securities Bureau 525 W Ottawa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator-Consumer Protection Antitrust and Franchise Unit Dept of Attorney General PO Box 30213 Lansing, MI 48909 (517) 373-7117
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101-2198 (651) 296-6328	Department of Commerce Registration Division 133 East 7th Street St Paul MN 55101 (651) 296-6328

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
NEW JERSEY	National Registered Agents, Inc of NJ 100 Canal Pointe Blvd , Suite 212 Princeton, NJ 08540	(Not Applicable)

NEW YORK	Secretary of State of the State of New York 162 Washington Street Albany, NY 12231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH CAROLINA	(Not Applicable)	North Carolina Department of the Secretary of State P O Box 29622 Raleigh, NC 27626-0622 (919) 807-2000
NORTH DAKOTA	North Dakota Securities Department Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OHIO	(Not Applicable)	Attorney General's Office Consumer Protection Section 25th Floor, State Office Tower 30 E Broad Street - 14th Floor Columbus, OH 43215 (614) 466-8831
OKLAHOMA	(Not Applicable)	Oklahoma Department of Securities Suite 860, First National Center 120 N Robinson Oklahoma City, OK 73102 (405) 280-7700
PENNSYLVANIA	National Registered Agents, Inc State of Pennsylvania, County of Dauphin 600 North Second Street, Suite 401 Harrisburg, PA 17101	(Not Applicable)
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Dept of Consumer & Bus Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
STATE	**REGISTERED AGENTS**	**REGULATORY AUTHORITIES**
RHODE ISLAND	Dir of Rhode Island Dept of Business Regulation, Securities 233 Richmond Street, Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities, Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048

SOUTH DAKOTA	Director of South Dakota Division of Securities 445 E Capitol Ave Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities 445 E Capitol Ave Pierre, SD 57501 (605) 773-4013
TEXAS	National Registered Agents, Inc 16055 Space Center Blvd Ste235 Houston, TX 77062	Secretary of State Statutory Document Section P O Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	(Not Applicable)	Consumer Protection Division 160 East Three 300 South P O Box 45804 Salt Lake City, UT 84111 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E Main Street, 1st Floor Richmond, VA 23219 (804) 371-9672	State Corporation Commission Division of Securities and Retail Franchising 1300 E Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P O Box 1768 345 W Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Department of Agriculture Trade and Consumer Protection PO Box 8911 Madison, WI 53708-8911 (800) 422-7128

BoConcept Franchise, Inc.
142A LeFante Way
Bayonne, New Jersey
(201) 433-4461

EXHIBIT "D"

Date __________, 201_

LETTER OF INTENT

This Letter of Intent ("LOI") is entered into to be effective _______, 201_, by and between BoConcept Franchise, Inc , a Kansas corporation located at 142A LeFante Way, Bayonne, New Jersey 07002 ("Franchisor") and ________________ ("Purchaser")

By signing this Agreement, the above-referenced parties are hereby evidencing their intent to execute a franchise agreement ("Franchise Agreement") and other related documents subject to the general terms and conditions stated as follows

Upon payment of the USD $3,000 00 deposit, (the "Deposit"), to Franchisor (based upon one initial store), Purchasers evidence their(its) intention to become a BoConcept® Franchisee subject to Purchaser and their legal counsel reviewing and approving Franchisor's Franchise Agreement and all related documents and amendments (collectively "Franchise Offering Documents) and Franchisor approving Purchaser as a franchisee and signing the Franchise Agreement

If Purchaser enters into the Franchise Agreement with Franchisor, then the Deposit will be credited towards the Franchise Fee for the first store location If for any reason Purchaser and Franchisor do not sign the Franchise Agreement within ninety (90) calendar days of the date of this LOI (or any mutually agreed written extension) then Franchisor shall retain the Deposit and this LOI shall automatically terminate In the event both Purchaser and Franchisor do not timely execute the Franchise Agreement, then Purchaser shall continue to be bound by the provisions of the Confidentiality Agreement by and between Purchaser and Franchisor Purchaser shall also immediately return all of Franchisor's confidential information (as defined in the binding Confidentiality Letter) to Franchisor and Franchisor shall also immediately return to Purchaser or destroy all of Purchaser's information marked or designated as confidential by Purchaser and any further liabilities or obligations that either party might have to the other shall forever cease

Purchaser/Franchisee ____
All parties involved with Purchaser including any and all minority owners and other investors must sign a confidentiality agreement with BoConcept BoConcept also needs to approve any Investor and see sufficient financial information from all parties involved

Franchisor BoConcept Franchise, Inc

Franchise Agreement A new Franchise Agreement will be executed for each BoConcept® store

Stores/Territories Purchaser will have exclusive rights to open stores in the Territory(s) generally described as ________________________________, and as specified in and subject to the terms of Exhibit A to this LOI ("Ex A") attached and incorporated herein Franchisor expects Purchaser to develop the entire market area within the specified Territory for the BoConcept Brand by opening an appropriate number of franchised retail stores and Purchaser agrees to develop additional stores within this area In the event Purchaser fails to strictly adhere to the number of store openings and time frames in Ex A, then the Territory will be limited to radius of the stores opened per Exhibit A

e-commerce. The Franchisor also anticipates that e-commerce sales of BoConcept products may be available (anticipated in Spring of 2017) and such sales will then be forwarded to the nearest BoConcept store location

Franchise Fee USD$ 30,000 00 per location Payable by Purchaser, to Franchisor upon signing the Franchise Agreement, for each location

Distribution Distribution from port to local store/warehouse and assembly and delivery of inventory to customers is the responsibility of Purchaser

Commissions/Royalties Purchaser shall not pay any Royalties or Commissions on any goods purchased from Franchisor

Axapta Accounting System Purchaser will utilize the Axapta accounting program and pay the fees as outlined in the Franchise Agreement

Training Purchaser will participate fully in training as well as franchise seminars conducted in South America as well as Denmark as specifically provided in the Franchise Agreement Purchaser will complete New Franchisee Introductory training prior to their store opening

Marketing/Main Catalogue Up to 8% minimum of retail sales excluding delivery and assembly must be contributed by Purchaser to other marketing activities as provided in the Franchise Agreement Purchaser will as well as purchase the BoConcept main catalogue

Merchandisers/Stylist For initial store build out the Franchisor portion of the installation a daily rate for each merchandiser and Stylist is charged Costs vary depending on the size of the location as outlined in the FDD

Business Plan Purchaser shall provide Franchisor an acceptable business plan within forty-five (45) calendar days from the date of this LOI

Financial Reporting Purchaser shall supply Franchisor with complete financial statements quarterly and other reports as provided in the Franchise Agreement

Product Range All featured products in the store must be part of the BoConcept product range Suggestions on new products will be evaluated and discussed yearly at the national product meeting

Exclusive Negotiation From the date of this LOI and ending at the close of business ninety (90) calendar days thereafter (the "Exclusivity Period"), Franchisor shall not enter into any negotiations, and/or transaction(s) with any parties during the Exclusivity Period regarding a Franchise opportunity within the contemplated store Territories herein This shall allow time for Purchaser's representatives to review the necessary definitive agreements including the Franchise Offering Documents and evaluate this franchise opportunity and contemplated store Territories on Exhibit A

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written

FRANCHISOR·

BoConcept Franchise, Inc

By ______________________

____

PURCHASER

By ______________________

______________________,

(address ______________________

By ______________________

______________________,

(address ______________________)

EXHIBIT E

FRANCHISEE LISTING 12-31-17

CALIFORNIA	BoConcept **San Francisco**	101 Townsend Rd San Francisco, CA	Soren and Caroline Jensen 415 371 0100
CALIFORNIA	BoConcept, **San Jose**	#1010 Stevens Creek Blvd , San Jose, CA 95128	Soren and Caroline Jensen 408-261-1663
CALIFORNIA	BoConcept **La Brea**	434 North La Brea Ave Los Angeles, CA 90036	Lasse Aerthoej Jensen 323-591-0782
FLORIDA	BoConcept **Brickell**	800 Brickell Avenue Suite 107 Miami , FL 33131	Carlos Salamonovitz
MASSACHUSETTS	BoConcept **Cambridge**	999 Mass Ave Cambridge, MA 02138	Anthony Goodh 617-588-7777
NEW JERSEY	BoConcept **Paramus**	Harrows Shopping Plaza 141 Route 17 South Paramus, NJ 07652	Peter Chong 201 967 5300
NEW JERSEY	BoConcept **Princeton**	Nassau Park Pavilion 640 Nassau Park Boulevard Princeton, NJ 08540	Peter Chong 609 799 5300
NEW YORK	BoConcept **Westchester**	125 Westchester Ave , #1050 White Plains, NY 10601	William Lee 914 472 2535
PENNSYLVANIA	BoConcept **Philadelphia**	1719 Chesnut St Philadelphia, PA 19103	Terrace Daniels
WASHINGTON	BoConcept **Bellevue**	10400 NE 8th Street, Bellevue, WA 98004	Steen Skaaning 604 730 8111
CANADA	BoConcept **Vancouver**	1275 West 6th Avenue, Vancouver, BC V6H 1A6	Steen Skaaning 6 730 8111
	BoConcept **Calgary**	701 11th Avenue, SW Calgary, AB T2R 0E3	Roslyn Ross 403 265 6677
	BoConcept **Toronto**	230 Adelaide Street East Toronto, ON M5A 1M9	Dominique Roberge 1 647 352 8802
	BoConcept **Montreal-Laval**	620 Boulevard Le Corbusier Laval, Quebec H7N 0A9	Hani Hamze 450-661-1011

Exhibit E is a listing of all current franchisees and contact information The states in which a registration is effective or where a disclosure document has been filed include California, Florida, New York, Texas, Utah, Washington State There are no states in which a proposed registration or filing is or will be shortly on file No states have refused, by order or otherwise, to register these franchises No states have revoked or suspended the right to offer these franchises There are no states in which a proposed registration of these franchises has been withdrawn

EXHIBIT F-State Addendums

(California, Washington State)

CALIFORNIA ADDENDUM TO BOCONCEPT UNIFORM FRANCHISE DISCLOSURE DOCUMENT FOR BOCONCEPT FRANCHISE, INC , AS OF JANUARY 1, 2018

This Addendum to BoConcept Franchise Disclosure Document supplements and modifies the BoConcept Franchise Disclosure Document of BoConcept Franchise, Inc dated January 1, 2018 for all franchises in California Registration of this franchise with the State of California does not constitute approval, recommendation, or endorsement by the Commissioner of Corporations

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

Item I-THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES
Our agent for service of process is the California Commissioner of Corporations, and the successors in office

Item 3- LITIGATION Neither we nor any person listed in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in that association or exchange

Item 5-INITIAL FRANCHISE FEE For franchises in California, we have established an Impound Account with Bank of America and your initial franchise fees will be held in this account until the date of your store's opening for business On or about your store opening date, these initial fees will be released to Franchisor upon your signing a release stating that Franchisor has fulfilled all of its pre-opening obligations

Item 17-RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law, the law will control

The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (II U S C A Sec 101 et seq)

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

The franchise agreement requires binding arbitration The arbitration will occur at the city in which the franchisor's headquarters are located when the proceedings are conducted with the costs being borne by the non-prevailing party Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 200405, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Kansas This provision may not be enforceable under California laws

WASHINGTON STATE FRANCHISE DISCLOSURE DOCUMENT ADDENDUM

The state of Washington has a statute, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer

Item 5 of the FRANCHISE DISCLOSURE DOCUMENT INITIAL FRANCHISE FEE is hereby amended as follows

For a BOCONCEPT franchise, the initial franchise fee is $30,000 00 A $3,000 00 deposit may be payable upon signing a Letter of Intent (Exhibit D) and the remaining $27,000 00 is then payable upon signing the Franchise Agreement However, for franchises sold in the State of Washington, we have established an Impound Account with Bank of America and your initial franchise fees will be held in this account until the date of your store's opening for business On or about your store opening date, these initial fees will be released to Franchisor upon your signing a release stating that Franchisor has fulfilled all of its pre-opening obligations The amount of the franchise fee may vary dependent upon the location of the franchise and number of franchises purchased

I have received this Addendum as an Exhibit to the Franchise Disclosure Documents with an effective date of January 1, 2018

____________	______________________
Date	PROSPECTIVE FRANCHISEE
	______________________
	PRINTED NAME

(YOUR COPY-KEEP)

RECEIPT

ACKNOWLEDGMENT OF RECEIPT OF THE BOCONCEPT FRANCHISE, INC DISCLOSURE DOCUMENT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF BOCONCEPT FRANCHISE, INC OFFERS YOU A FRANCHISE, THEY MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU FOURTEEN 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, OR SOONER IF REQUIRED BY APPLICABLE STATE LAW

IF BOCONCEPT FRANCHISE, INC. 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 APPLICABLE STATE AGENCY (LOCATED IN EXHIBIT "C").

The **Name, Principal Business Address, and Telephone number of each** **Franchise Seller** (if any-other than Franchisor) **offering the franchise** are: ____________________
____________________ **(to be completed by Franchise Seller)**

Issuance Date. January 1, 2018

I have received a Uniform Franchise Disclosure Document dated January 1, 2018 This Disclosure Document included the following Exhibits

A Audited Financial Statements as of April 30, 2017, (plus 4-30-16 & 4-30-15) and Unaudited-(internal) Verified Income Statement and Balance Sheet for 12-31-17
B BoConcept Franchise, Inc , Franchise Agreement, Security Agreement and Guaranty
C List of Agents for Service of Process and State Administrators
D Letter of Intent
E Listing and contact information of current franchisees
F State Addendums (California and Washington State)

Signed	____________	Signed	____________
Print Name	____________	Print Name	____________
Address	____________	Address	____________
	____________		____________
Telephone	____________	Telephone	____________
Date Received	____________	Date Received	____________

(OUR COPY-Detach and Return to us)

RECEIPT

ACKNOWLEDGMENT OF RECEIPT OF THE BOCONCEPT FRANCHISE, INC. DISCLOSURE DOCUMENT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY
IF BOCONCEPT FRANCHISE, INC OFFERS YOU A FRANCHISE, THEY MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU FOURTEEN 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, OR SOONER IF REQUIRED BY APPLICABLE STATE LAW.

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The **Name, Principal Business Address, and Telephone number of each Franchise Seller** (if any-other than Franchisor) **offering the franchise** are: ______________________________
______________________________ **(to be completed by Franchise Seller)**

Issuance Date January 1, 2018

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- C List of Agents for Service of Process and State Administrators
- D Letter of Intent
- E Listing and contact information of current franchisees
- F State Addendums (California and Washington State)

Signed	______________	Signed	______________
Print Name	______________	Print Name	______________
Address	______________	Address	______________
	______________		______________
Telephone	______________	Telephone	______________
Date Received	______________	Date Received	______________