FRANCHISE DISCLOSURE DOCUMENT
HERLIFE Magazine, LLC
a Kansas limited liability company
7500 W. 160th St. Ste. 102
Overland Park, Kansas 66085
Telephone: (913) 402-6994
www.HERLIFEmagazine.com

This franchise is for the operation of a business under the "HERLIFE® Magazine" name that produces a magazine geared toward women that is available free to the public and by direct mail subscriptions.

The total investment necessary to begin operation of a HERLIFE® Magazine franchise is from $55,000 to $100,000. This includes $35,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Tammy Crystal McDonald, 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085 and (913) 402-6994.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: ~~March 13, 2023~~February 26, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Kansas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Kansas than in your own state.

2. **Minimum Sales**. You must maintain minimum sales in the amount of $20,000 a month during your first 12 months and $30,000 a month thereafter. If you fail to do so, we have the right to terminate your franchise agreement.

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

4. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

5. **Going Concern:** The auditor's report on the franchisor's financial statements expresses substantial doubt about the franchisor's ability to remain in business. This means that the franchisor may not have the financial resources to provide services or support to you.

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

TABLE OF CONTENTS

ITEM 1- THE FRANCHISOR, AND ANY PARENTS PREDECESSORS AND AFFILIATES 1
ITEM 2- BUSINESS EXPERIENCE 2
ITEM 3- LITIGATION 2
ITEM 4- BANKRUPTCY 2
ITEM 5- INITIAL FEES 2
ITEM 6- OTHER FEES 3
ITEM 7- ESTIMATED INITIAL INVESTMENT 6
ITEM 8- RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 8
ITEM 9- FRANCHISEE'S OBLIGATIONS 11
ITEM 10- FINANCING 12
ITEM 11- FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 12
ITEM 12-TERRITORY 17
ITEM 13- TRADEMARKS 18
ITEM 14- PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 19
ITEM 15- OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 20
ITEM 16- RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 21
ITEM 17- RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 21
ITEM 18- PUBLIC FIGURES 24
ITEM 19- FINANCIAL PERFORMANCE REPRESENTATIONS 24
ITEM 20- OUTLETS AND FRANCHISEE INFORMATION 24
ITEM 21- FINANCIAL STATEMENTS 27
ITEM 22- CONTRACTS 27
ITEM 23- RECEIPTS 27

Exhibits

A – State Agencies/Agents for Service of Process
B – State Addenda to the Disclosure Document
C – Franchise Agreement with Schedules
Schedules
1 – Territory
2 – Authorization Agreement for Electronic Funds Transfer
3 – Internet Websites and Listings Agreement; Telephone Listing Agreement
4 – Guaranty and Assumption of Obligations
5 – Confidentiality and Non-Competition Agreement
6 – State Addenda to the Franchise Agreement
7 - SBA Addendum
D – List of Franchisees
E – List of Franchisees Who Have Left the System
F – Financial Statements
G – Franchisee Disclosure Acknowledgment Statement
H – Table of Contents for Confidential Operations Manual
I – Form of General Release
J – State Effective Dates
K- Receipts

ITEM 1
THE FRANCHISOR, AND ANY PARENTS PREDECESSORS AND AFFILIATES

The Franchisor

HERLIFE Magazine, LLC ("we" or "us") is a limited liability company that was formed on March 31, 2015 in the State of Kansas. Our principal place of business is 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085. We do business under our corporate name and under the name "HERLIFE Magazine." We will refer to the person or corporate entity who buys this franchise as "you" or "your," which includes all franchise owners and partners, if the franchisee is an entity.

We are offering franchises for the operation of businesses (the "Business" or "Franchised Business") that produce a magazine geared toward women that is available free to the public and by direct mail subscriptions (the "Services"). We do not own any locations of the type being franchised. We have offered franchises since March 2015. We have not conducted business in any other line of business. We have not offered franchises in any other line of business. Our agents for service of process are listed in Exhibit A.

Our Parent, Predecessors and Affiliates

Our predecessor, Her Life Magazine, LLC is a limited liability company that was formed on June 21, 2010 in the State of Kansas and offered franchises of the type being franchised since September 2010 to March 2015. Our predecessor's principal place of business was 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085. ~~Our predecessor had, since February 2014, licensed DMV Living, LLC ("DMV"), a Maryland limited liability company, to operate a business of the type being franchised.~~

Our first affiliate is KLP Enterprises, LLC, a Kansas corporation headquartered at our address ("KLP"). KLP has owned and operated a business of the type being franchised in Kansas since March 2015. Prior to March 2015, KLP was operated by an affiliate of our predecessor who operated a business of the type being franchised in Kansas since October 2007.

Our affiliates have never offered franchises in this or any other line of business.

The System

Our system includes specific methods, uniform standards, specifications and procedures for the design, publishing and distribution of a women's magazine, including techniques, design and processes; standards and specifications for the magazine; processes, methods and techniques for inventory and cost controls; recordkeeping and reporting; personnel management; sales, promotion and advertising; all of which may be changed, improved and further developed by us (the "System"). The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark "HERLIFE®" as are now designated and may in the future be designated by us in writing for use with the System (the "Proprietary Marks"). HERLIFE Magazine was founded ~~by our KLP affiliate~~ with the mission of keeping women connected, from the latest topics concerning what is affecting women, to local resources and restaurants, events in the city, the community, beauty tips, parenting, lifestyle, and more.

HERLIFE Magazines are published 12 times each year, and also offer an annual "Buyer's Guide." You may, in your discretion, choose to offer a Buyer's Guide in your Territory.

[remainder of page left intentionally blank]

The Franchise Offered

We will offer "HERLIFE" franchises to qualified individuals and corporate entities for the operation of a business that produces a magazine geared toward women ~~which~~that is available free to the public and by direct mail subscriptions. The public can get free publications of the magazines at local businesses such as boutiques, salons, medical offices, etc. As a franchisee, you will sell ads and market the magazine in local territories~~, which will~~ to fund your franchised business. Our franchise agreement (the "Franchise Agreement")~~, which is~~ attached to this Disclosure Document as Exhibit C, gives you the right to establish and operate one Business. The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely with the operation of the Franchised Business~~,~~ and ~~solely~~ within the territory granted to you. We expect that you will operate your Franchised Business from a home office~~,~~ if you are permitted to do so by local regulations.

Industry Specific Laws

You must comply with any copyright, trademark, intellectual property, unfair trade practices, consumer protection laws, and false or other advertising laws. In addition, your local laws may prohibit operating a business from your home or may require a special permit to do so. You should investigate the application of these laws further.

Market and Competition

HERLIFE Magazine readers are women between the ages of 22 and 60 in the middle to upper income bracket with disposable income and interest for finer quality products and services. Your Business will compete with other companies providing similar services, including national, regional and local firms.

ITEM 2
BUSINESS EXPERIENCE

Tammy Crystal McDonald, Owner and Publisher. Ms. McDonald has served as our Owner and Publisher since April 2015. From April 2015 to the present, Ms. McDonald also operates our affiliate KLP Enterprises, LLC in Overland Park, Kansas. From December 2010 to the present, she also serves as an Officer for Crystal Trenching Co., Inc. in Overland Park, Kansas.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay to us an initial franchise fee of $35,000 in a lump sum when you sign the Franchise Agreement. The initial franchise fee is fully earned upon receipt, and it is uniform for all franchisees. If you are unable to complete our initial training program to our satisfaction, we have the right to terminate

the Franchise Agreement and refund the initial franchise fee to you, less our reasonable costs. The initial franchise fee is not refundable under any other circumstances.

There are no other payments to or purchases from us or any affiliate that you must make before your Business opens.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Date Due	Remarks
Royalty Fee (Notes 2 and 3)	7% of Gross Advertising Sales	Due by the 1st day of each month (or the next business day if the 1st is not a business day)	The monthly royalty fee shall be 7% of Gross Advertising Sales, based on our then-current 12-month media kit rates detailed in the Operations Manual. The media kit rate is adjusted upward for inflation as calculated by the U.S. Bureau of Labor Statistics in its consumer price index (CPI) but shall not increase by more than 5% each year. Franchise Agreement, Section 4.2.
Renewal	$500	Upon renewal of the Franchise Agreement	See Franchise Agreement, Section 2.2.
Sales or other tax	As imposed	When imposed	If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you. Franchise Agreement, Section 4.2.3.
Production Fee (Note 4)	$50 per page	Upon invoice	We are the exclusive provider of production services for you. Franchise Agreement, Section 4.3.
Late Payments	Lesser of 1.5% per month or highest commercial contract interest rate law allows	15 days after billing	Due on all overdue amounts. Interest will accrue from the original due date until payment is received in full. Franchise Agreement, Section 4.4.
Inspection	Actual cost to correct a deficiency that we discover during an inspection.	On demand	See Franchise Agreement, Section 4.10.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Audit	Reimbursement of audit costs. You must also pay any understated amount plus interest.	On demand	If we conduct an audit due to your failure to provide reports when required, or if an audit shows that you have understated any amount by 2% or more, you must reimburse the costs of the audit. Franchise Agreement, Section 4.11.
Promotional Campaigns	Actual cost incurred	As incurred	You must participate in all promotional campaigns specified by us at your costs. Franchise Agreement, Section 5.2.
Initial Training (For New or Replacement Employees) (Note 5)	Our then-current per person training fee, plus expenses Current per person training fee = $1,200	Before Training	We will train up to two people at no additional charge. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages. Franchise Agreement, Section 6.2.
Additional On-Site Training	Our then-current per diem fee per trainer, plus expenses Current per diem fee = $350	15 days after billing	If you request that we provide additional training at your Business, you must pay our daily fee for each trainer we send to your Business, and you must reimburse each trainer's expenses, including travel, lodging and meals. Franchise Agreement, Section 6.3.
Ongoing/Refresher Training and Franchisee Meetings	A reasonable fee that we set at the time	Before attendance	See Franchise Agreement, Section 6.4.
Insurance	Reimbursement of our costs	Upon demand, if incurred	If you do not purchase the required insurance coverages, we may (but are not required to) purchase insurance for you. Franchise Agreement, Section 11.3.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Liquidated Damages	See Note 6	15 days after termination	See Franchise Agreement, Section 13.7.
Transfer	$5,000	With application for approval of transfer	We will not charge a transfer fee for a one-time transfer from individuals to a corporate entity that has been formed for convenience of ownership of the franchise. Franchise Agreement, Section 15.2(f).
Management Fee	Our then current management fee. Current management fee: 10% of Gross Advertising Sales	As incurred	We have the right to step in and manager your Business in certain circumstances, including after your or your managing owner's death or disability or after your default or abandonment. Franchise Agreement, Section 12.3; 15.7(c).
Indemnification	Will vary under circumstances	As incurred	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Business, or for costs associated with defending claims that you used the trademarks in an unauthorized manner. Franchise Agreement, Section 19.4.
Costs and Attorney Fees	Will vary under circumstances	As incurred	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorney fees) in enforcing or terminating your agreement; or if we are the prevailing party in litigation with you. Franchise Agreement, Sections 20.2.3 and 21.11.

1 Except as otherwise noted in this Item 6, all fees are imposed uniformly on all franchisees and collected by and payable to us. Unless noted above, all fees are non-refundable.

2 All payments due to us are payable by electronic funds transfer, unless we specify otherwise. You must sign the documents we or your bank need to debit your bank account automatically for the amounts due.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

3. A media rate kit is the marketing tool used to present to potential clients and advertisers that gives the advertisement rates, demographics, and specs for the ad sizes.

4. The average number of pages contained in an issue of HERLIFE magazine is 80 ~~pages,~~ with a minimum ~~number~~ of 52 pages per issue.

5. We provide training for the first two trainees. If you request that we provide our initial training program to other trainees, either before your Business opens or while it is operating, you ~~agree to~~must pay our then-current training fee for each additional trainee in addition to the trainee's expenses, including travel, lodging, meals and applicable wages.

6. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	$35,000	Lump Sum	On signing Franchise Agreement	Us
Business Premises or Storage Unit (2)	$0 to $2,000	As required	As required	Landlord/ Storage Unit
Furniture & Equipment (3)	$0 to $5,000	As arranged	As incurred	Suppliers
Insurance (4)	$1,500 to $3,000	As arranged	As incurred	Insurance Companies
Professional Fees (5)	$1,000 to $1,500	As arranged	As incurred	Attorney, Accountant
Licenses & Permits (6)	$500 to $1,000	As required	As incurred	Government Agencies
Travel & Lodging While Training (7)	$1,000 to $2,000	As arranged	As incurred	Airline, Hotel, Restaurant, etc.
Salaries and Wages – 6 Months (8)	$5,000 to $15,000	As arranged	As incurred	Employees and Independent Contractors
Signage	$0 to $500	As arranged	As incurred	Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Miscellaneous Costs (9)	$1,000 to $5,000	As arranged	As incurred	Suppliers
Additional Funds – 3 Months (10)	$10,000 to $30,000	As arranged	As incurred	Various
Total (11)	**$55,000 to $100,000**			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable and the initial franchise fee is partially refundable in certain circumstances. We do not finance any portion of your initial investment.

1 ***Initial Franchise Fee***. The initial franchise fee is discussed in detail in Item 5.

2 ***Business Premises or Storage Unit***. We expect that you will operate your Franchised Business from your home, but you may wish to lease premises for your Franchised Business.

3 ***Furniture & Equipment***. The furniture and equipment you will need include a desk, phone system, filing cabinets, computer system, and QuickBooks software. The low end of our estimate assumes that you have all of the required and/or recommended furniture and equipment. If you wish to use an existing computer system for your Franchised Business, the computer system must meet our minimum specifications.

4 ***Insurance***. The figures in the chart represent the annual premium for your insurance. In rare cases, you will have to pay the entire annual premium in a lump sum; generally, you pay your premiums quarterly or semi-annually. See Item 8 for additional information concerning required insurance coverages.

5 ***Professional Fees***. We strongly recommend that you hire an accountant and/or an attorney to evaluate and advise you on this franchise offering. Your costs will depend on the accountant's and attorney's hourly rate and how much you use them.

6 ***Licenses and Permits***. You must obtain all of the licenses and permits required by your state or local agencies to conduct business. We recommend ~~that you verify~~verifying what licenses and permits you need~~,~~ and their cost~~,~~ before you purchase this franchise.

7 ***Travel & Lodging While Training***. ~~The~~The initial franchise fee includes the cost of providing our initial training program to two trainees ~~is included in the initial franchise fee~~. You must pay for your trainees' travel and living expenses to attend our initial training program, including travel, lodging, meals and applicable wages. If you wish to send additional people to our initial training program, you must pay our then-current training fee for each additional attendee, and your attendees' room, board, travel expenses, and any applicable wages.

8 ***Salaries & Wages***. This estimates the salaries and wages you will pay to your employees and/or independent contractors during your first six months of operation. Your actual amounts may differ, depending on the number of employees and/or independent contractors you hire, local wage rates, and how much work you perform personally.

9 ***Miscellaneous Costs***. This item includes your business cards and media kits.

10 ***Additional Funds***. You will need capital to support ongoing expenses, such as payroll, rent, utilities and royalty fees, if these costs are not covered by sales revenue for your first three months of operation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. Your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

11 ***Total.*** We relied upon our Affiliate's experience in operating a HERLIFE Magazine Business since 2007 when preparing these figures. However, these figures are merely estimates and there is no assurance that additional working capital will not be necessary during this initial phase or after.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased

Our reputation and goodwill is based on, and can be maintained only by, the sale of high quality services and products and the presentation, packaging, service and sale of those services, products and materials in an efficient and appealing manner. We have developed standards and specifications for various services, products, materials and supplies sold at or used in the operation of our Businesses. You must operate your Business according to these standards. These standards will regulate the types of required materials and supplies to be used in operating your Business, required or authorized equipment, products and services offered to customers and product categories and designated or approved suppliers of these items (which may be limited to or include us).

To maintain the quality of the services that HERLIFE Magazine Businesses sell and our System's reputation, we may condition your right to buy or lease your equipment (including computer hardware and software), signs, inventory items and similar items on their meeting our minimum standards and specifications and/or their being purchased from us, our affiliate or suppliers that we approve. We will formulate and modify standards and specifications based on our Affiliate's and our franchisees' experience in operating HERLIFE Magazine Businesses. Our standards and specifications may impose minimum requirements for delivery, performance, reputation, prices, quality, design and appearance. Our Operations Manuals or other communications will identify our standards and specifications and/or names of approved suppliers, if any. We will notify you and, where appropriate, the suppliers. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

Advertising Materials

Before you may use them, you must send to us for approval samples of all advertising, promotional and marketing materials that we have not prepared or that we have not approved in the immediately preceding 12-month period. We will have 15 days to review your materials and notify you if they are approved. Unless you receive our specific approval of the proposed materials, they are deemed not approved.

Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require and satisfy other insurance-related obligations. Our insurance requirements will be included in the Operations Manual and may be periodically modified by us. Your insurance policies must be written by an insurance company with a rating of at least "A-" with A.M. Best Company. You must comply with any modifications we require and make sure that you have obtained all insurance coverages we require.

As of the date of this Disclosure Document, you must have the following insurance: (1) comprehensive general liability insurance, with limits of not less than $500,000 combined single limit; (2) business automobile liability insurance for both owned and non-owned vehicles, with minimum limits of $250,000 per person and $500,000 per occurrence for bodily injury and $100,000 for property damage; (3) workers' compensation insurance and employer's liability insurance in the amounts required by applicable state law; and (4) any additional coverages that are required by state law, by the terms of your lease (if you choose to lease space), or that we may require.

All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds and must include a waiver of subrogation in favor of all those parties, and must provide us with 30 days' advance written notice of any material modification, cancellation, or expiration of the policy.

You must provide us with a Certificate of Insurance or other proof that you have purchased the insurance required for your Business not later than five days before your Business opens for business. You must also provide us with a Certificate of Insurance or other proof on the renewal of each policy. If you do not obtain the required insurance coverages, we may obtain insurance for you and you must reimburse our costs in obtaining this insurance.

Production Services

We are the sole approved supplier for the production of magazine content for your HERLIFE Magazine. You shall not use an alternate supplier for these services without our prior written consent, which we are not obligated to provide. You ~~agree to~~must pay us a production fee ("Production Fee") ~~in the amount~~ of $50 per page, which ~~amount~~ is due upon invoice to you. If you elect to publish an annual "Buyer's Guide" for your Territory, the pages for such Buyer's Guide must also be produced by us and are subject to the same $50 per page Production Fee. Production services we will provide include, but are not limited to, content for non-local specific stories, comprehensive editing and proofing of all content, layout, design, and placement of advertising. Design of advertising and providing local-specific stories is not provided by us and is not allowed. You understand and acknowledge the necessity of having all HERLIFE Magazine pages produced centrally to maintain consistent quality of HERLIFE Magazines.

Whether We or Our Affiliates Are Approved Suppliers

Currently we are the sole approved supplier for the production of magazine pages for your Business. You may not use any other supplier for production services. If you use an unauthorized supplier for production services, it is a default of your Franchise Agreement for which we can terminate your Agreement. We reserve the right to earn a profit from providing production services to our franchisees.

Officer Interests in Suppliers

Our officer, Tammy Crystal McDonald, owns an interest in us.

Alternative Suppliers

If we institute any type of restrictive sourcing program (which we have the right to do) and you want to use any item that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved, you first must send us sufficient information, specifications and samples so we can determine whether the item complies with System standards or the supplier meets approved supplier criteria. We will notify you and the supplier of our decision within 30 days. We periodically will establish procedures for your requests and may limit the number of approved items and/or suppliers as we think best. We do not charge a fee for this service. Supplier or product approval might depend on product quality, delivery frequency, service standards, financial capability, customer relations and concentration of purchases with limited suppliers to obtain better prices and service. Approval might be temporary until we evaluate the product or supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the product or supplier continues to meet our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. If we notify you that an item's or supplier's approval has been revoked, you must immediately stop selling that item and/or stop purchasing from that supplier. We do not generally make our criteria for supplier evaluation available to you or to the supplier. We are not obligated to approve any particular product or supplier.

Issuance of Specifications

We issue and modify specifications to franchisees and approved suppliers in our Operations Manual or other informational bulletins.

Revenue from Required Purchases

We reserve the right to derive revenue or other material consideration from required purchases or leases by franchisees. However, for the fiscal year ended December 31, ~~2021~~2023, we did not earn any revenue from required purchases or leases by franchisees.

Required Purchases and Leases as a Proportion of Costs

Collectively, the purchases and leases described above are 3% to 8% of your total purchases and leases to establish the Business, and approximately between 90% and 95% of your total purchases and leases to operate the Business. Actual costs may be higher than estimates.

Supplier Payments to Us

We reserve the right to receive payments, such as rebates or commissions, from approved suppliers based on their dealings with you and other franchisees, and to use any amounts we receive for any purposes we deem appropriate (unless the supplier instructs us otherwise). We do not currently receive payments from any suppliers as part of a preferred vendor program. For the fiscal year ended December 31, 2023~~2022~~, we did not earn any payments from approved suppliers based on their sales to our franchisees.

Purchasing or Distribution Cooperatives

There currently are no purchasing or distribution cooperatives.

Purchase Arrangements

We may negotiate purchase arrangements with suppliers (including price terms) for your benefit.

Material Benefits

We do not provide material benefits to you based on your use of a particular supplier. However, ~~in order to renew~~when your franchise ~~agreement,~~ is up for renewal, to continue your franchise rights, we require you ~~must~~to be in compliance with ~~it, including~~your franchise agreement, which includes compliance with any supplier standards~~, and we can terminate your franchise agreement if you breach it~~.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in Agreement	Disclosure Document Item
(a)	Site selection and acquisition/lease	Not applicable	Items 7 and 11
(b)	Pre-opening purchases/lease	Article 3	Items 5, 7 and 8
(c)	Site development and other pre-opening requirements	Article 3	Items 7 and 11
(d)	Initial and ongoing training	Article 6	Items 6, 7 and 11
(e)	Opening	Article 3	Item 11
(f)	Fees	Articles 2.2, 4, 5, 6.2, 6.3, 11.3, 12.3, 13.7, 15.7(c), 19.3, 20.2.3, 21.11	Items 5, 6, 7, 8 and 11
(g)	Compliance with standards and policies/Operating Manual	Articles 8 and 10	Items 8, 11, 14 and 16
(h)	Trademarks and proprietary information	Articles 9 and 10	Items 13 and 14
(i)	Restrictions on products/services offered	Articles 1 and 8	Items 8 and 16
(j)	Warranty and customer service requirements	Article 18	Not Applicable
(k)	Territorial development and sales quotas	Article 8	Item 12
(l)	Ongoing product/ service purchases	Article 8	Item 8

Obligation		Section in Agreement	Disclosure Document Item
(m)	Maintenance, appearance and remodeling requirements	Article 8.2	Not applicable
(n)	Insurance	Article 11	Items 7 and 8
(o)	Advertising	Article 5	Items 6, 7 and 11
(p)	Indemnification	Article 19.3	Item 6
(q)	Owner's participation/ management/staffing	Articles 6 and 8	Items 11 and 15
(r)	Records and reports	Article 4	Item 6
(s)	Inspection and audits	Articles 4, 7 and 8	Item 6
(t)	Transfer	Article 15	Items 6 and 17
(u)	Renewal	Article 2	Items 6 and 17
(v)	Post-termination obligations	Article 10.4, 13	Item 17
(w)	Non-competition covenants	Article 14	Item 17
(x)	Dispute resolution	Article 21	Item 17
(y)	Liquidated Damages	Article 13.7	Item 6

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation.

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

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

Pre-Opening Obligations

Before you open your Business, we will:

1. Lend you one copy of the Operations Manual (Franchise Agreement – Section 7.1C).

2. Train up to two people at no additional charge (Franchise Agreement – Section 6.2). This training is described in detail later in this Item.

3. Designate your Territory (Franchise Agreement – Section 1.1).

Site Selection and Opening

We anticipate that you will operate your Business from your home and that you will not lease office space for your Business. If you choose to lease office space, we will not assist you in locating a site or in negotiating lease terms. We will not review any site from which you propose to operate your Business.

We estimate that between 30 and 60 days will elapse from the date you sign the Franchise Agreement to the opening of your Business for business. Factors that may affect this timeframe include the timing for you to complete initial training and to satisfy your other pre-opening obligations. You may not open your Business for business until: (1) you have completed the initial training program to our satisfaction; (2) the initial franchise fee and all other amounts due to us have been paid; (3) you have furnished us with all certificates of insurance required by the Franchise Agreement; (4) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Business; and (5) you are in full compliance with all the terms of the Franchise Agreement. You must have your Business open and operating and produce your first issue of HERLIFE Magazine for your Territory not later than 90 days after you sign the Franchise Agreement.

Continuing Obligations

During the operation of your Business, we will:

1. Provide guidance and assistance in the operation of your Business as you may request. This guidance may be provided in the form of periodic correspondence, and telephone or written communications, including e-mail, and may cover topics such as products or services to be offered to customers; improvements and developments in your Business; pricing; administration of the Business; and operating problems encountered by you (Franchise Agreement – Section 7.1(b)).

2. Issue, modify and supplement standards for the System that may regulate any one or more of the following regarding your Business: (a) hours of operation, (b) methods of operation, (c) testing, marketing and sale of products and services, (d) instructions on the performance of specific employees' duties, (e) maintenance of equipment, (f) checklists, (g) records preparation and retention, (h) general rules and regulations for employees, and all other matters that in our sole judgment require standardization and uniformity in all Businesses (Franchise Agreement – Section 7.1(d)).

3. Provide you with production services for your HERLIFE Magazine (Franchise Agreement – Section 7.1(e)).

Advertising and Marketing

We do not anticipate establishing a centralized Brand Development Fund to conduct advertising on a regional or national basis.

Local Marketing

We strongly recommend, but do not require, that you spend money each month on local marketing and promotion in your Territory. There are some methods of marketing, such as printed media, television and radio, that will reach customers within and outside of your Territory because of the natural circulation of the printed media or the reach of television and radio. You will not be in default of your Franchise Agreement if you use these methods of reaching customers and your marketing efforts are read, heard or seen by customers outside of your Territory.

All of your local advertising, marketing and promotional materials, including where they will be placed, must be approved by us in advance if we have not created these materials or we have not approved of these materials within the immediately preceding 12-month period. You must submit these materials to us for our review. We will have 15 days to advise you whether the materials are approved. Unless we provide our specific approval of the materials, they are deemed not approved. Any promotional materials that you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

At our request, you must include certain language in your local marketing materials, such as "Franchises Available" and our telephone number and Website address. If you want to conduct a special promotion within your Territory, the promotion must first be approved by us.

We do not anticipate forming or approving the formation of any marketing cooperatives, and we do not anticipate forming an advisory council.

Website and Intranet

Websites (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "Website" means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to HERLIFE Magazine Businesses, the Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages, blogs and social networking sites, such as Facebook, LinkedIn, My Space and Twitter.

In connection with any Website, the Franchise Agreement states that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through the Internet without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website, or through a Website that we establish for you.

We will have the right to establish a Website or other electronic system providing private and secure communications (*e.g.*, an intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the intranet and intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

Because we expect that each HERLIFE Magazine Business will have a strong presence in its community, you must establish an account with each of Facebook, LinkedIn, Twitter and any other social or networking Websites we specify, and these accounts must comply with our guidelines including posting of content and representation of the Proprietary Marks, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). If any objectionable content is posted to one of these accounts, you will have 12 hours after notice from us to remove it. If the objectionable content is not removed within this 12-hour period, we have the right to terminate your Franchise Agreement. Any other on-line presence that you wish to establish must have our prior written consent. You must provide us with all of the user IDs and passwords related to each on-line account you establish.

Computer System

You must have a computer system for your Business. If you wish to use an existing computer system for your Franchised Business, the computer system must meet our minimum technical specifications, as described in our Operations Manual, must be approved by us, and meet the following requirements and functions: scheduling, word processing, spreadsheets, e-mail communication, internet access, bookkeeping, invoicing, contact maintenance and storage of electronic files. You must also have QuickBooks software for your computer system. We expect that the initial cost of this computer system will be between $600 and $1,500, and the initial cost of the QuickBooks software will be between $100 and $400.

You are not required to have a maintenance contract for your computer system, although you may find it beneficial to do so.

You must have a high-speed internet connection at all times for your computer system. We reserve the right to require that your computer system have the connectivity hardware and software to permit us to electronically access your computer system. Although we do not currently do so, we reserve the right to access your computer system at any time during the term of the Franchise Agreement, and you must allow us this access when we request it. If we elect to have electronic access to your computer system, we will have the right to download data from your computer system relevant to your Business, including reports, client files, employee information and contact files, and we may use this data in any manner we wish, including in a franchise disclosure document, without compensation to you.

We may require you to update and/or upgrade your computer system, including hardware and software, during the term of your Franchise Agreement. There are no limitations in the Franchise Agreement on either our right to require you to obtain updated and/or upgrades, or the cost of the updates and/or upgrades. We also have the right to require you to replace your computer system entirely. Neither we nor any affiliate of ours will provide you with any maintenance, updates or upgrades for your computer system.

Confidential Operations Manual

The table of contents for our Confidential Operations Manual is attached to this Disclosure Document as Exhibit H. Our Confidential Operations Manual includes approximately 114 pages.

Training Programs

Before your Business opens, we will provide a mandatory training program in the operation of your Business to you and one additional person (a maximum of two trainees), which must be completed not less than two weeks before your Business opens. One of your trainees must be the Director for your magazine. If you request that we provide our training program to any additional trainees, whether before your Business opens or while it is operating, you must pay our then-current training fee for each additional trainee. If your Director is no longer employed by you, you must enroll a replacement Director in our training program, at your expense, within 45 days after the first Director's employment ends.

You must pay all expenses incurred by your trainees while attending our training program, including travel, lodging, meals and applicable wages. In addition to our training fee for any additional trainees, you must also pay the expenses incurred by all of your other trainees, including travel, lodging, meals and applicable wages. (Franchise Agreement – Section 6.2)

Approximately four days of training will be conducted at a mutually convenient time at a place we designate near our headquarters in Overland Park, Kansas, and will take place before your Business opens, but not before the Franchise Agreement is signed. If you fail or your Director fails to complete the training program to our satisfaction, we have the right to terminate the Franchise Agreement and refund a portion of your initial franchise fee.

There currently are no fixed (*i.e.*, monthly or bi-monthly) training schedules, although we expect to hold training on a monthly basis. We may train more than one franchisee and its personnel at any training session. We also reserve the right to modify our training program based on the individual needs and/or experience of any particular trainee. The materials we use in our training program include our Operations Manual, hand-outs and any other material that we believe will be beneficial to our franchisees in the training process. We project the following training schedule:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to your Franchised Business/ Orientation	2	0	Overland Park, Kansas
Office Setup and Management	2	0	Overland Park, Kansas
Terms & Forms	2	0	Overland Park, Kansas
Creation of Magazine	4	0	Overland Park, Kansas
Promotion & Grand Opening	2	0	Overland Park, Kansas
Introduction to Selling	4	0	Overland Park, Kansas
Photos	1	0	Overland Park, Kansas
Cold Calling	3	0	Overland Park, Kansas
Sales Meeting	12	0	Overland Park, Kansas
Delivery of Magazine	2	0	Overland Park, Kansas
Financial Responsibility	2	0	Overland Park, Kansas

Tammy Crystal McDonald, our Owner and Publisher, and Michelle Carder are the instructors of our training program. Item 2 above discloses the natures of the Instructors' experience as to Tammy Crystal McDonald. Ms. McDonald has ~~5~~6 years of experience in the field and with the franchisor.

Michelle Carder has been with the HERLIFE Sales team since 2010, and as our Senior Account Representative since March 2013. She has ~~13~~14 years of experience in the field and ~~13~~14 years of experience with the franchisor, including experience with our predecessor.

In addition to our training program and any additional training you may request, we may provide periodic refresher training programs, and we may designate that attendance at any refresher training program is mandatory. These programs are conducted for various lengths of time and at various locations

selected by us. Certain programs will be offered at no charge, while others may, at our sole discretion, involve a fee. We may also offer an annual meeting of our franchisees. We may choose to combine these to present one event that includes a meeting with a training session. You must ensure that a qualified representative from your Business is in attendance in these training sessions, if we designate them as mandatory. You must pay for all costs incurred by you and any other attendees at any training sessions and/or meetings, including travel, lodging, meals and applicable wages.

ITEM 12
TERRITORY

The Franchise Agreement grants you the right to operate your Business only within the exclusive territory ("Territory") granted to you, which will include between 250,000 and 750,000 people. Your Territory may be described in terms of contiguous zip codes, county or other geographical boundaries, or may be depicted on a map attached to your Franchise Agreement. You may relocate your Business only with our prior written approval and only within your Territory.

During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right:

(1) to establish and operate, and grant rights to other franchise owners to establish and operate, HERLIFE Magazine Businesses or similar businesses at any locations anywhere outside your Territory and on any terms and conditions we deem appropriate;

(2) to sell any other products and services that may be identical or similar to, or dissimilar from, those your Business sells, whether identified by the Proprietary Mark or other trademarks or service marks through any distribution channels we think best (including mail order and the Internet) inside and outside of your Territory;

(3) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Business (and/or franchise or license those businesses), some or all of which might be located anywhere, including within your Territory;

(4) to be acquired (regardless of the form of transaction) by a business identical or similar to HERLIFE Magazine Businesses, even if the other business operates, franchises and/or licenses competitive businesses near your Business or in your Territory; and

(5) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

You may sell the products and services authorized by us to customers within your Territory. Not more than 10% of the total distribution of your magazine may be outside your Territory, and not more than 20% of your total sales may be from outside your Territory.

You may not engage in any promotional activities or sell our products and services or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory, you will not be deemed to be in

violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory. You have no options, rights of first refusal, or similar rights to acquire additional franchises.

We and our affiliates may offer and sell services under the Proprietary Marks within and outside your Territory through any method of distribution other than a dedicated HERLIFE Magazine Business, including sales through channels of distribution such as the Internet, catalog sales, or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Territory. If we process an order through an alternative distribution channel that is from a customer within your Territory, we will pay you 20% of the sales amount. You are not entitled to any revenue for sales outside of your Territory.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Businesses which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Minimum Sales Quotas

Continuation of your territorial exclusivity does depend on your achieving a certain level of sales, market penetration, or other contingency. During your first 12 months in business, you must generate a minimum sales amount of $20,000 per month. After your first 12 months in business, you must generate minimum sales of $30,000 each month during the term of your Franchise Agreement. If you do not meet these minimum sales goals, we have the right to terminate your Franchise Agreement. This is not intended as a financial performance representation.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant to you the right to use the following principal trademarks registered with the U.S. Patent and Trademark Office ("USPTO")

Description of Mark	Principal or Supplemental Register of the USPTO	Registration Number	Registration Date
HERLIFE	Principal	3,907,633	January 18, 2011

We have filed all required affidavits and renewals.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

KLP Enterprises, LLC owns the trademark listed in the chart above and licenses it to us pursuant to a written License Agreement effective March 31, 2015. The License Agreement is perpetual in duration and may be terminated upon a material breach not remedied after 30 days' written notice. If the License Agreement was terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

You must use the Marks in accordance with our specifications and standards. You may not use the words or any part of "HERLIFE" or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. You may not use the Marks in connection with the sale of any unauthorized product or service, or in a manner that we have not authorized in writing. You may not use any Proprietary Mark in any manner on the internet unless the use has been pre-approved by us. You may not establish a separate Website using the Proprietary Mark.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents or copyrights that are material to the franchise. You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary and confidential information that is in the Operations Manual. The Operations Manual is described in Item 11 and below. Although we have not filed an application for copyright registration of the Operations Manual, we claim a copyright and the information in it is proprietary and confidential. You must promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

Confidential Operations Manual

You must operate your Business according to the standards, methods, policies and procedures we specify in the Operations Manual or otherwise in writing. One copy of the Operations Manual will be loaned to you by us. We may provide the Operations Manual to you electronically, such as by CD ROM or via a password-protected Website.

You must treat any manual which is used in the operation of your Business and the information in it as confidential, and must use all reasonable efforts to maintain this information as secret and confidential.

You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person.

We may revise our standards, methods, policies and procedures, and you must comply with each new or changed standard, method, policy or procedure. If there is a dispute regarding the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during the review of this Franchise Disclosure Document, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person or entity any confidential information, knowledge or know-how concerning the methods of operation of the Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. You may divulge this confidential information only to those of your employees who need access to it to operate your Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. The term "confidential information" includes our System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Franchised Businesses, the terms of your Agreement with us, the Operations Manual, graphic designs and other intellectual property, your client list and your subscriber list.

At our request, you must have your Director and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

If you, your owners, Director or employees develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and give us all necessary information, free of charge. You, your owners, Director and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

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

If you are an individual, you must participate in the daily operation of your Franchised Business. If you are a corporate entity (such as a corporation or limited liability company), then one of your owners who has at least a 33% ownership interest in you must devote full time and best efforts to the management and operation of the Franchised Business. You must also have a Director for the production of your magazine, which may be you. The Director must complete our initial training program to our satisfaction and must otherwise meet minimum criteria for Directors. You must also maintain a competent, conscientious, trained staff.

We have the right to approve the Director after training. The Director does not need to own an equity interest in your business. The Director and other key employees may also have to sign an agreement not to compete with businesses under the System while employed by you and for two years after their employment ends, and an agreement not to reveal confidential information obtained while employed by you.

If any Director is no longer employed by you, you must hire a replacement Director and send the replacement Director to our initial training program, at your expense, no later than 45 days after the first Director's employment ends.

You must operate the Franchised Business in strict conformity with all applicable Federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and you must adhere to them and to the then-current implementation or interpretation of them.

If you are an entity, the owners of the entity must sign the personal guaranty which is an exhibit to the Franchise Agreement under which each person guarantees the franchisee's performance under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must not use or permit the use of the Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards and specifications we may require in the Operations Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent.

You must sell or offer for sale only those products and services that we have approved for sale in writing; you must sell or offer for sale all types of services specified by us; you may not change our standards and specifications without our prior written consent; and you must stop selling and offering for sale any services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized services and there are no limits on our right to make changes.

The System may be periodically supplemented, improved or modified by us. You must comply with all of our changes, including offering and selling new or different products or services as specified by us.

You are restricted by the Franchise Agreement, Operations Manual and any other practice or custom with respect to the services which you may offer, which must be approved by us. You are not restricted as to the customers whom you may solicit or service, except as described in Item 12.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Article 2	10 years

Provision	Section in Franchise or Other Agreement	Summary
b. Renewal or extension of the term	Article 2	Up to three additional renewal terms of ten years each
c. Requirements for franchisee to renew or extend	Article 2	You provide notice, you are in compliance with your Franchise Agreement, you sign new Franchise Agreement and release, you are in compliance with the minimum sales requirements, and you pay renewal fee You may be asked to sign a contract with materially different terms and conditions than your original contract, except the boundaries of your territory may change based on changes in demographics, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d. Termination by franchisee	Article 2	You may terminate the Franchise Agreement if you do not renew or if you sell pursuant to the Franchise Agreement.
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Article 12	We may terminate the Franchise Agreement for cause if you breach the Franchise Agreement and do not timely cure the breach (if the breach is curable)
g. "Cause" defined - curable defaults	Article 12.2	Abandonment; health or safety hazard; past due monies; sell unauthorized products or services; violation of law; breach of other agreement.
h. "Cause" defined – non-curable defaults	Article 12.1	false application, fail to pass training, do not open on time, unauthorized transfer; insolvency, unauthorized transfer; misuse of proprietary system or marks; insolvent; you fail to use us as the approved supplier; repeated customer complaints; fraud; fail to meet your minimum required sales; repeated breaches.

Provision	Section in Franchise or Other Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Article 13	Obligations include complete de-identification and payment of amounts due; see Article 13
j. Assignment of contract by franchisor	Article 15	There is no restriction on our right to transfer
k. "Transfer" by franchisee - defined	Article 15	Includes a transfer of all or substantially all of the assets of your business
l. Franchisor approval of transfer by franchisee	Article 15	We have the right to approve transfers
m. Conditions for franchisor approval of transfer	Article 15	Includes payment of money owed, you are not in default, sign release, transferee qualifies, transferee signs new franchise agreement, transferee completes training, and payment of the transfer fee
n. Franchisor's right of first refusal to acquire franchisee's business	Article 15	We can match any offer
o. Franchisor's option to purchase franchisee's business	Article 15	Upon expiration or termination, we can buy certain assets of your Franchised Business
p. Death or disability of franchisee	Article 15	Franchise must be assigned to approved buyer within 12 months
q. Non-competition covenants during the term of the franchise	Article 14	Includes prohibition on owning, operating or participating in a business which sells similar products and services
r. Non-competition covenants after the franchise is terminated or expires	Article 14	No competition for 2 years within 50 miles of your former territory or any other franchisee territory
s. Modification of the agreement	Article 22	Must be in writing by both parties
t. Integration/merger clause	Article 22	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.

Provision	Section in Franchise or Other Agreement	Summary
u. Dispute resolution by arbitration or mediation	Article 21	You must mediate claims against us before filing suit
v. Choice of forum	Article 21	Johnson County, Kansas (subject to applicable state law)
w. Choice of law	Article 21	Kansas law applies (subject to applicable state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote this franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, 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 Tammy Crystal McDonald at 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085 and (913) 402-6994, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System Wide Outlet Summary
For Years ~~2020~~2021 to 2023~~2022~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021~~2020~~	3	3	0
	2022~~2021~~	3	3	0
	~~2022~~2023	3	3	0
Company-Owned	2021~~2020~~	1	1	0
	2022~~2021~~	1	1	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	20222023	1	1	0
Total Outlets	20212020	4	4	0
	20222021	4	4	0
	20222023	4	4	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 20202021 to 20232022

State	Year	Number of Transfers
All States	20212020	01
	20212022	10
	20222023	0
Totals	20212020	01
	20222021	10
	20222023	0

Table No. 3
Status of Franchised Outlets
For Years 20202021 to 20232022

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Re-acquired By Fran-chisor	Ceased Opera-tions-Other Reasons	Outlets at Year End
California	20212020	1	0	0	0	0	0	1
	20222021	1	0	0	0	0	0	1
	20222023	1	0	0	0	0	0	1
Missouri	20212020	1	0	0	0	0	0	1
	20212022	1	0	0	0	0	0	1
	20222023	1	0	0	0	0	0	1
New York	20212020	1	0	0	0	0	0	1
	20222021	1	0	0	0	0	0	1
	20222023	1	0	0	0	0	0	1
Totals	20212020	3	0	0	0	0	0	3
	20222021	3	0	0	0	0	0	3
	20222023	3	0	0	0	0	0	3

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets
For Years ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Kansas	~~2020~~2021	1	0	0	0	0	1
	2022~~2021~~	1	0	0	0	0	1
	~~2022~~2023	1	0	0	0	0	1
Totals	~~2020~~2021	1	0	0	0	0	1
	2022~~2021~~	1	0	0	0	0	1
	~~2022~~2023	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, ~~2022~~2023

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Totals	0	1	0

Exhibit D contains a list of the names of all current franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Exhibit E contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Restrictions on Ability to Speak. In some instances, current or former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Exhibit F contains our audited financial statements for the fiscal years ending December 31, 2023, 2022, and 2021~~, and 2020~~.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document in the following order.

Exhibit C- Franchise Agreement with Schedules

Schedules

1 – Territory
2 – Authorization Agreement for Electronic Funds Transfer
3 – Internet Websites and Listings Agreement; Telephone Listing Agreement
4 – Guaranty and Assumption of Obligations
5 – Confidentiality and Non-Competition Agreement
6 – State Addenda to the Franchise Agreement
7 – SBA Addendum

Exhibit I- Form of General Release
Exhibit G- Franchise Disclosure Acknowledgment Statement

ITEM 23
RECEIPTS

Exhibit K contains two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND REGISTERED AGENTS

State	State Administrator	Agent for Service of Process
California	The Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 2101 Arena Blvd. Sacramento, CA 95834 1-866-275-2677 1455 Frazee Rd, Suite 315 San Diego, CA 92108 One Sansome St, Suite 600 San Francisco, CA 94104 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204

	(317) 232-6681	
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 335-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1526 K Street, Suite 300 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 212-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, ~~Fifth~~Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, ~~Fifth~~Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1

	Cranston, RI 02920 (401) 462-9500	Cranston, RI 02920
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 13193 Austin, TX 78711 (512) 475-0775	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising, 9th Floor 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington State Department of Financial Institutions Securities Division P.O. Box ~~41200~~9033 Olympia, WA ~~98504-1200~~98507 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608)-266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

YOU MUST SIGN A DOCUMENT THAT MAKES YOU LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. SINCE CALIFORNIA IS A COMMUNITY PROPERTY STATE EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE, THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 5 of the Disclosure Document is amended by adding the following paragraph:

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all of its pre-opening obligations and franchisee is open for business.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60-day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

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

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

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.herlifemagazine.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

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

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

EXHIBIT C TO THE DISCLOSURE DOCUMENT

HERLIFE MAGAZINE, LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE OF AGREEMENT

TABLE OF CONTENTS

~~ARTICLE 1 GRANT OF FRANCHISE ..... 2~~
~~ARTICLE 2 TERM AND RENEWAL ..... 3~~
~~ARTICLE 3 BUSINESS DEVELOPMENT AND OPENING ..... 5~~
~~ARTICLE 4 FEES AND REPORTING ..... 5~~
~~ARTICLE 5 MARKETING AND PROMOTION ..... 8~~
~~ARTICLE 6 TRAINING AND TECHNICAL ASSISTANCE ..... 9~~
~~ARTICLE 7 OUR DUTIES ..... 11~~
~~ARTICLE 8 YOUR DUTIES ..... 12~~
~~ARTICLE 9 PROPRIETARY MARKS ..... 15~~
~~ARTICLE 10 OPERATIONS MANUAL AND CONFIDENTIALITY ..... 18~~
~~ARTICLE 11 INSURANCE ..... 19~~
~~ARTICLE 12 TERMINATION ..... 20~~
~~ARTICLE 13 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION ..... 22~~
~~ARTICLE 14 NON-COMPETITION ..... 24~~
~~ARTICLE 15 ASSIGNMENT, TRANSFER AND SALE ..... 25~~
~~ARTICLE 16 PARTNERSHIP AND CORPORATE FRANCHISEES ..... 29~~
~~ARTICLE 17 TAXES, PERMITS AND INDEBTEDNESS ..... 30~~
~~ARTICLE 18 CUSTOMER RELATIONS ..... 30~~
~~ARTICLE 19 RELATIONSHIP AND INDEMNIFICATION ..... 30~~
~~ARTICLE 20 SECURITY INTERESTS ..... 31~~
~~ARTICLE 21 DISPUTE RESOLUTION ..... 33~~
~~ARTICLE 22 GENERAL ..... 34~~
~~ARTICLE 23 YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS ..... 37~~
ARTICLE 1 GRANT OF FRANCHISE 2
ARTICLE 2 TERM AND RENEWAL 3
ARTICLE 3 BUSINESS DEVELOPMENT AND OPENING 5
ARTICLE 4 FEES AND REPORTING 5
ARTICLE 5 MARKETING AND PROMOTION 8
ARTICLE 6 TRAINING AND TECHNICAL ASSISTANCE 9
ARTICLE 7 OUR DUTIES 11
ARTICLE 8 YOUR DUTIES 12
ARTICLE 9 PROPRIETARY MARKS 15

ARTICLE 10 OPERATIONS MANUAL AND CONFIDENTIALITY 18
ARTICLE 11 INSURANCE 19
ARTICLE 12 TERMINATION 20
ARTICLE 13 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION 22
ARTICLE 14 NON-COMPETITION 24
ARTICLE 15 ASSIGNMENT, TRANSFER AND SALE 25
ARTICLE 16 PARTNERSHIP AND CORPORATE FRANCHISEES 29
ARTICLE 17 TAXES, PERMITS AND INDEBTEDNESS 30
ARTICLE 18 CUSTOMER RELATIONS 30
ARTICLE 19 RELATIONSHIP AND INDEMNIFICATION 30
ARTICLE 20 SECURITY INTERESTS 31
ARTICLE 21 DISPUTE RESOLUTION 33
ARTICLE 22 GENERAL 34
ARTICLE 23 YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS 37

SCHEDULES

1 – Territory
2 – Authorization Agreement for Electronic Funds Transfer
3 – Internet Websites and Listings Agreement; Telephone Listing Agreement
4 – Guaranty and Assumption of Obligations
5 – Confidentiality and Non-Competition Agreement
6 – State Addenda to the Franchise Agreement
7 – SBA Addendum

HERLIFE MAGAZINE, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into on this day of _____, 20_, between HERLIFE Magazine, LLC, a Kansas limited liability company with its principal office 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085 ("we", "us" or "our"), and _____ with a principal address at _____ ("you" or "your").

W I T N E S S E T H :

WHEREAS, we have developed a system of uniform standards, methods, procedures, specifications, merchandising and advertising (hereinafter referred to as the "System") for the operation of Businesses (hereinafter referred to as a "Business" or "Franchised Business") which produce a magazine geared toward women that is available free to the public and by direct mail subscriptions. These products and services offered by Franchised Businesses are approved from time to time by us ("Approved Products and Services"), all under the trade name, trademark and service mark of "HERLIFE", together with all other trade names, trademarks and service marks designated by us in the future (collectively, the "Proprietary Marks"); and

WHEREAS, we are the owner of the Proprietary Marks which it has licensed to us so that we may sub-license them to our franchisees, as such Proprietary Marks are specified herein or as may be hereafter designated as a part of the System and not thereafter withdrawn, and which we may hereafter acquire or develop for use with the System; and

WHEREAS, you wish to obtain the right and license from us for the use of our System and Proprietary Marks, and in association therewith to own and operate a Business within the territory identified on Schedule A hereto, and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks; and

WHEREAS, we have the sole and exclusive right to the goodwill associated with the System and the Proprietary Marks and are willing to grant the right and license to you, on the terms and conditions herein contained, to use the System and the Proprietary Marks; and

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Marks at the Premises, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Business; and

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all Businesses and to protect the goodwill of the Proprietary Marks; and

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied upon any such warranty or guarantee; and

WHEREAS, you acknowledge that you have no knowledge of any representations by us, our officers, directors, shareholders or representatives about the franchise offered hereunder, about us or our franchising programs and policies that are contrary to the statements in our Disclosure Document or to the terms of this Agreement; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management methods, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1
GRANT OF FRANCHISE

1.1 Grant

Subject to the terms, conditions and limitations elsewhere in this Agreement, we hereby grant to you a non-transferable, non-exclusive right and license to use the System, the Proprietary Marks and to market, sell and provide the Approved Products and Services in accordance with the System within the exclusive territory described on Schedule 1 hereto ("Territory"). The Approved Products and Services are the only products and services authorized to be offered and sold at the Business.

1.2 Location

The right and license granted in Section 1.1 hereof shall be restricted solely and exclusively to use within the Territory. During the term of this Agreement, the Business shall be used exclusively for the purposes permitted by this Agreement. You shall be entitled to relocate the Business to another premises acceptable to us, provided that (a) we have first given our written consent to such relocation; and (b) the new premises are located within your Territory.

1.3 Non-Exclusivity

The franchise and license granted to you by this Agreement are non-exclusive and we shall have, at all times throughout the term of this Agreement and any renewals hereof, outside of your Territory, the unqualified right to open and operate, or to franchise and license others to open and operate, businesses utilizing the System.

1.4 Limitations on Sale

This license does not include any right to offer any service at wholesale or the right to offer or sell any or provide any service at or from any location except within the Territory. Your use, directly or indirectly, of the System, the Proprietary Marks licensed hereunder, the servicing of Business customers outside of the Territory, except for the exceptions described below, shall be a material breach of this Agreement and shall give us, in addition to all other rights and remedies hereunder, the right to terminate this Agreement. You understand and acknowledge that not more than ten percent (10%) of the total

distribution of your magazine may be outside your Territory, and not more than twenty percent (20%) of your total sales may be from outside your Territory.

You shall not engage in any promotional activities or sell services that are similar to the services you are authorized to sell hereunder, whether directly or indirectly, through the internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Territory.

1.5 Rights Reserved to Us

We reserve the right to establish or operate, or license any other franchisee to establish or operate, a Business under the System at any location. We (and any affiliates that we periodically might have) reserve the right:

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Businesses or similar businesses at any locations anywhere outside your Territory and on any terms and conditions we deem appropriate;

(b) to sell our Services and any other services that may be identical or similar to, or dissimilar from, those your Business sells, whether identified by the Proprietary Mark or other trademarks or service marks through any distribution channels we think best (including mail order and the Internet), inside and outside of your Territory;

(c) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Business (and/or franchise or license those businesses), some or all of which might be located anywhere, including within your Territory;

(d) to be acquired (regardless of the form of transaction) by a business identical or similar to HERLIFE Magazine Businesses, even if the other business operates, franchises and/or licenses competitive businesses near your Business or in your Territory; and

(e) to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

ARTICLE 2
TERM AND RENEWAL

2.1 Initial Term

This Agreement, unless terminated earlier as hereinafter provided, shall remain in force for an initial term of ten (10) years commencing on the date of this Agreement ("Initial Term").

2.2 Renewal

Subject to the provisions of this Section, you shall have an option (exercisable only by written notice delivered to us not less than three (3) months prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder for up to three additional periods of ten (10) years each, if:

(a) you have been throughout the Initial Term of this Agreement in substantial compliance, and at the expiration of the Initial Term you are in full compliance, with this Agreement and any other agreements between you and us or companies associated or affiliated with us, including, but not limited to, the minimum sales requirements described in Section 8.10 below;

(b) you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Business franchises (all of which will contain terms substantially the same as those herein contained, except with respect to fees to be paid to us, which fees shall be the same as those Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee);

(c) at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months;

(d) you execute a general release running in favor of us, our officers, directors and shareholders releasing all claims against us, our officers, directors and shareholders; and

(e) you pay us a renewal fee ~~equal to~~of Five Hundred Dollars ($500).

2.3 Failure to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents, together with the renewal fee, required by us for a renewal within thirty (30) days after we have delivered them to you.

2.4 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise under certain circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

2.5 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

ARTICLE 3
BUSINESS DEVELOPMENT AND OPENING

3.1 Pre-Opening Purchases

You shall purchase or lease such equipment, including computer-related equipment and computer software, as are required and which strictly conform to the appearance, uniform standards, and specifications of us or the System existing from time to time.

3.2 Opening for Business

You shall open the Business for business and produce your first issue of HERLIFE Magazine for your Territory not later than ninety (90) days after the Effective Date. In no event shall the Business be opened for business until: (i) the initial training program has been completed to our satisfaction by all required persons; (ii) the required installment of the initial franchise fee and all other amounts due to us have been paid; (iii) you have furnished us with all Certificates of Insurance required by Article 11 herein; (iv) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of the Business; and (v) you are in full compliance with all the terms of this Agreement.

ARTICLE 4
FEES AND REPORTING

4.1 Initial Franchise Fee

~~In consideration of the grant of this license, you~~You shall pay to us ~~a non-recurring~~an initial franchise fee ~~for the franchise hereunder in the amount~~ of Thirty-Five Thousand Dollars ($35,000), payable in a lump sum upon execution of this Agreement. The initial franchise fee shall be deemed to have been fully earned by us upon execution of this Agreement. If you are unable to complete our initial training program to our satisfaction, we have the right to terminate this Agreement and refund the initial franchise fee to you, less our reasonable costs. The initial franchise fee is not refundable under any other circumstances.

4.2 Royalty Fee

In further consideration of the grant of this license, you shall pay to us on the first (1st) day of each month during the term of the Agreement a non-refundable royalty fee ("Royalty Fee") equal to seven percent (7%) of gross advertising sales based on the then-current 12-month media kit rate. All Royalty Fees and other fees payable hereunder shall be made by electronic funds transfer or automatic debit of funds, or by another method determined by us, in our sole discretion. If the first (1st) day of any month is not a business day, then payment shall be due on the next business day.

4.2.1 As used herein, gross advertising sales includes the total during any month of all advertising sold from your Business based on our then-current media kit rates for twelve (12) months of advertising, as set forth in our Manual. If you decide to deviate from our standard pricing, whether to provide a discount for a new or repeat customer or to charge a premium for advertising space, or if your customer purchases fewer months of advertising at a higher rate, the Royalty Fee is still calculated based on the twelve (12) month media kit rate that we set.

4.2.2 If we elect to require payment by electronic funds transfer, you shall sign and deliver to us any documents required to authorize us to debit your bank account automatically for the Royalty Fee and other amounts due under this Agreement. You agree to make the funds available for withdrawal by electronic transfer before each due date.

4.2.3 If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.2.4 Each year during the term of this Agreement, we shall maintain the right to increase media kit rates, in accordance with any increase in the Consumer Price Index ("CPI"): All Items/U.S. City Average – All Urban Consumers ("Index" – 1967 Base Year + 100) as published by the U.S. Department of Labor's Bureau of Labor Statistics; provided, however, that any such increase shall not exceed five percent (5%).

4.3 Production Fee

You understand and acknowledge that we shall be the sole approved supplier for the production of magazine content for your HERLIFE Magazine. You shall not use an alternate supplier for these services without our prior written consent, which we are not obligated to provide. You agree to pay us a production fee ("Production Fee") in the amount of Fifty Dollars ($50) per page, which amount is due upon invoice to you. If you elect to publish an annual "Buyer's Guide" for your Territory, the pages for such Buyer's Guide must also be produced by us and are subject to the Production Fee. Production services we will provide include, but are not limited to, content for non-local specific stories, comprehensive editing and proofing of all content, layout, design, and placement of advertising. Design of advertising and providing local-specific stories is not provided by us and is not allowed. You understand and acknowledge the necessity of having all HERLIFE Magazine pages produced centrally to maintain consistent quality of HERLIFE Magazines.

4.4 Late Payments

To encourage prompt and timely payment of Royalty Fees, Production Fees and other amounts payable to us, and to cover the costs and expenses involved in handling and processing any payments not received by their due dates, you shall also pay, upon demand, a late payment charge in an amount equal to the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the highest rate permitted by law. Such charge shall accrue from the date payment was due until the date payment is actually received by us. Notwithstanding the foregoing, each failure to pay Royalty Fees, Production Fees or other payments payable to us when due will be a material breach of this Agreement.

4.5 Application of Payments

We shall have sole discretion to apply any payments received from you to any past due indebtedness of yours for Royalty Fees, Production Fees, purchases made from us or our affiliates, late payment charges or any other indebtedness of you to us or our affiliates.

4.6 Bookkeeping, Accounting and Records

You shall use a bookkeeping, accounting, and record-keeping system for the business of the Business that ~~is approved by us~~we approve, and you shall retain all invoices, order forms, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursements journals showing cash in and out of the Business, and general ledgers. You shall keep such original documents at the Business throughout the term of this Agreement, and for at least five (5) years thereafter, at a location of which we shall be kept advised, unless we give written permission to dispose of such records.

4.7 Reports and Tax Returns

You shall furnish to us throughout the term of this Agreement, in addition to the report of gross advertising sales required in Section 4.2 above, in the form from time to time prescribed by us:

(a) within thirty (30) days after the documents referred to in Section 4.8 hereof are filed, an exact copy of all returns, schedules and reports filed by you for income, corporate or sales tax purposes;

(b) within ninety (90) days after the end of each fiscal year, an unaudited balance sheet, statement of profit and loss and source and application of funds from the beginning of that fiscal year, prepared by an independent chartered accountant and verified by your statutory declaration as to the information furnished to such accountant; and

(c) such other reports, statements, sales slips, order forms, records, calculations and indices as we may, from time to time, require.

Notwithstanding the above, we shall have the right to communicate directly with your computer system and to poll the same on a daily or weekly basis, as determined by us from time to time. You shall be required to maintain a wireless broadband internet connection at all times during the term of this Agreement. You shall also take all required steps and install all required hardware and/or software to allow us to electronically access your computer system. You understand and acknowledge that (i) there are no limitations on our right to access your system, (ii) there are no limitations on the information we may download or otherwise retrieve from your system, and (iii) we may use any information downloaded or retrieved from your system in any manner we choose, without compensation to you.

4.8 Audited Statements

If we, in our sole discretion, determine that any report, financial statement, tax return or schedule furnished by you understates the gross advertising sales of the Franchised Business, distorts any other information or is incomplete, unclear or misleading, we shall have the right to require you to furnish audited annual financial statements for that year at your sole cost and expense, with such statements being prepared in accordance with generally accepted accounting principles consistently applied.

4.9 Information from Others

You hereby authorize us to make reasonable inquiries of your bank, credit reporting agencies, suppliers and trade creditors concerning the business of the Business and you hereby direct such persons and companies to provide to us such information as we may request.

4.10 Inspection

We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to enter and inspect the Premises and all aspects of the operation of the Business together with all records, books of account, tax returns and other documents and materials in your possession or under your control relating to the business of the Business, you and the subject matter and terms of this Agreement, including, without limitation, all records of yours required to be maintained pursuant to applicable law, to ascertain that you are operating the Business in accordance with the System and the terms of this Agreement. We or our representatives or agents shall be allowed to make extracts from or copies of any such material without any liability to us. In the event that we give notice to you of any deficiency detected during such inspection, you shall diligently correct such deficiency as soon as possible, but in any event within five (5) days after receipt of such notice. If you fail to correct such deficiency within such five (5) day period, we shall have the right (but not the obligation) to correct such deficiency on your behalf and at your sole expense, and in such case you shall reimburse us for all costs incurred by us (including, without limitation, a reasonable charge for the time of any of our personnel) in connection therewith.

4.11 Audit

We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to inspect, copy, request, receive and/or audit or cause to be inspected, copied, requested, received and/or audited the business records, bookkeeping and accounting records, sales, reports, financial statements and tax returns that you are required to submit to us hereunder along with your books and records and those of any corporate entity to which you have assigned this Agreement in accordance with Section 15.4 hereof. If we should determine that an audit is necessary during the term of the franchise, you will, upon notice, deliver to us all required records and documents and fully cooperate with our representatives conducting any such audit. In the event that any such audit should disclose an understatement of Gross Sales or any amount owed to us, you shall pay, within fifteen (15) days after receipt of the audit report, any understated amount plus interest as described in Section 4.4.

In the event any audit is made necessary by your failure to furnish reports, financial statements, or schedules as herein required, or if an understatement of Gross Sales is determined by any audit to be two percent (2%) or greater, you shall (a) pay any understated amount, together with interest thereon as described in Section 4.4, and (b) reimburse us for the cost of such audit, including, without limitation, the charges of any independent accountants, legal fees, and travel expenses, room, board and compensation of their employees or representatives. The foregoing remedies are in addition to all other rights and remedies we may have under this Agreement or under applicable law, including but not limited to termination of this Agreement.

ARTICLE 5
MARKETING AND PROMOTION

5.1 Local Marketing and Promotions

We strongly recommend, but do not require, that you conduct local marketing and promotions within your Territory. All of your local advertising, marketing and promotional materials, including where they will be placed, must be approved by us in advance if we have not created these materials or we have not approved of these materials within the immediately preceding twelve (12) month period. You must submit these materials to us for our review. We will have fifteen (15) days to advise you whether the materials are approved. Unless we provide our specific approval of the materials, they are deemed not approved. Any promotional materials that you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

At our request, you must include certain language in your local marketing materials, such as "Franchises Available" and our telephone number and Website address.

5.2 Promotional Campaigns

You must participate in all promotional campaigns specified by us. If you wish to conduct a promotional campaign for your Territory, your promotional campaign must be approved by us, in the manner described in Section 5.1 above.

5.3 Website, Social Media

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

5.3.1 We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, any or all of the Services, HERLIFE Businesses, the franchising of HERLIFE Businesses, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

5.3.2 We shall have the right, but not the obligation, to create or designate a Website to describe you and/or your Business, with such Website to be linked to our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such Website; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any Website.

5.3.3 You shall not establish a separate Website related to the Proprietary Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish such a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any such Website owned or maintained by you or for your benefit shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval under this Article 5.

5.3.4 We shall have the right to modify the provisions of this Section 5.3 relating to Websites as we shall solely determine is necessary or appropriate.

5.3.5 Because we expect that each HERLIFE Business will have a strong presence in its community, you must establish an account with each of Facebook, LinkedIn, Twitter and any other social or networking Websites we specify, and these accounts must comply with our guidelines including posting of content and representation of the Proprietary Marks. If any objectionable content is posted to one of these accounts, you will have 12 hours after notice from us to remove it. If the objectionable content is not removed within this 12-hour period, we have the right to terminate this Agreement. Any other ~~on-line~~online presence ~~that~~ you wish to establish must have our prior written consent. You must provide us with all of the user IDs and passwords related to each on-line account you establish.

ARTICLE 6
TRAINING AND TECHNICAL ASSISTANCE

6.1 Managerial Responsibility

It is agreed that at all times during the term of this Agreement, either you or a fully trained Director, certified by us (the "Director(s)"), shall:

(a) devote full time, attention and effort to the active management and operation of the business of the Business;

(b) irrespective of any delegation of authority, not inconsistent with clause (a), reserve and exercise ultimate authority and responsibility with respect to the management and operation of the business of the Business; and

(c) represent you and act on your behalf in all dealings with us.

If two (2) or more individuals are named in this Section, each of them shall fulfill the requirements of clause (a) and both or all of them shall jointly fulfill the requirements of clauses (b) and (c).

Notwithstanding the foregoing, one of your owners owning at least a thirty-three percent (33%) interest in the Franchised Business must perform direct, on-site supervision and operation of the Franchised Business.

6.2 Initial Training Program

Before your Business is opened for business, we shall make available to you and one (1) additional person, for a maximum of two (2) trainees, a training program which you must successfully complete prior to the opening of the Business. One (1) of the trainees attending our training program must be your Director. Such training program shall be held at our headquarters or at such other place as may be specified by us. We shall provide without charge our training program for the first two (2) trainees at no additional charge, but you must pay all expenses incurred by you and your trainees related to our initial training program, including, but not limited to, travel, lodging, meals and applicable wages. If we determine that you or your Director cannot or have not completed the training program to our satisfaction, we may terminate this Agreement pursuant to Section 12.1. If your Director is no longer employed by you, you must enroll a replacement Director in our training program, at your expense, within forty-five (45) days after the first Director's employment ends.

If you request that we provide our initial training program to other trainees, either before your Business opens or while it is operating, you agree to pay our then-current training fee for each additional trainee in addition to the trainee's expenses, including travel, lodging, meals and applicable wages.

6.3 Additional On-Site Assistance or Training

At your request, and subject to the availability of our personnel, we will also provide you with additional assistance or training on-site at your Business. You must pay our then-current per diem fee for each of our representatives providing the additional assistance or training for each day such assistance or training continues. You must also reimburse all expenses for travel, lodging and meals incurred by our representatives.

6.4 Ongoing/Refresher Training and Franchisee Meetings

In addition to our training program and any on-site assistance or training you may request, we may provide periodic refresher training programs. These programs are conducted for various lengths of time and at various locations selected by us. Certain programs will be offered at no charge, while others may, at our sole discretion, involve a fee. We may also offer annual refresher training and/or an annual meeting of our franchisees. We may designate that any of these training sessions or annual meetings are mandatory for you and/or your Director. We may choose to combine these to present one event that includes a meeting with a training session. You must ensure that a qualified representative from your Business is in attendance in these training sessions. You must pay for all costs incurred by you and any other attendees at any training sessions and/or meetings, including travel, lodging, meals and applicable wages.

6.5 Hiring and Training of Your Employees

You shall hire and train, at your expense, except as may be set forth in Section 6.2, all employees of the Business, and shall be exclusively responsible for the terms of their employment and compensation. You shall not employ anyone who refuses or fails to complete the initial training program. You shall at all times maintain a sufficient number of trained employees to service your customers, and we reserve the right to specify a minimum number of employees for your Business.

6.6 Operating Assistance

We shall make available to you such operating assistance and training on a continuing basis as we consider appropriate and which may consist of advice and guidance with respect to:

(a) methods and procedures for the offer, sale and provision of the Approved Products and Services;

(b) such additional services as we may approve, from time to time, to be used or offered for sale by franchisees;

(c) formulating and implementing advertising and promotional programs using such merchandising, marketing and advertising research data and advice as may, from time to time, be developed by us and deemed by us to be helpful in the operation of the Business;

(d) the establishment and implementation of administrative and general operating procedures for the proper operation of the Business; and

(e) the operation, cleanliness and efficiency of the Business.

ARTICLE 7
OUR DUTIES

7.1 Our Duties

During the term of this Agreement, we shall, at our expense, offer to you the following:

(a) an initial training program in System standards, specifications, methods and techniques as provided for in Section 6.2 hereof;

(b) upon your request such periodic continuing individual or group advice, consultation, and assistance, rendered in person, by periodic correspondence (electronic or otherwise), or by periodic telephone or written communications made available from time to time to all franchisees of the System, as we may deem necessary or appropriate to assist you in conforming to the requirements of the System. Such continuing advice may include, but not be limited to, such topics as services to be offered to customers, improvements and developments in operating a Business, and administrative procedures;

(c) subject to Section 10.1 hereof, to lend to you one (1) copy of the Confidential Operations Manual and one (1) copy of any other manuals designated for use with the System, as well as such additions and modifications thereto as we may, in our sole discretion, issue from time to time. We reserve the right to provide the Confidential Operations Manual electronically, such as by CD ROM or a password protected Website;

(d) new, modified or supplemented standards for the System that, in our sole discretion, are beneficial or necessary to maintain the uniformity and goodwill of the System utilized by all franchisees; and

(e) provide you with production services for the HERLIFE Magazine you will produce for your Territory.

7.2 Services

Upon request and at your expense, we shall offer to you, during the term of this Agreement, any of the following services which we are then offering to other franchisees and on the same terms and conditions:

(a) graphic design and production services for the layout of your HERLIFE Magazine;

(b) on-site assistance by a person employed or retained by us at mutually convenient times; and

(c) periodic supplemental training, as set forth in Sections 6.3 and 6.4 hereof.

7.3 System Maintenance

We shall continue our efforts to maintain uniform standards of quality, cleanliness, appearance and service at all Businesses in the System, to promote, protect and enhance the public image and reputation of the System, and to increase the demand for the services offered by all System franchisees and to that end we shall:

(a) review all materials prepared by you for use in local marketing and promotion pursuant to Section 5.1 hereof; and

(b) conduct periodic inspections of the products and services provided to the public by your Business.

ARTICLE 8
YOUR DUTIES

In order to maintain the high quality and uniform standards associated with the System and the Proprietary Marks, and to promote and protect the goodwill associated therewith, you shall perform the following duties.

8.1 Compliance with Standards and Specifications

You shall at all times comply strictly, and cause the Business to comply strictly, with all of our standards, specifications, processes, procedures, requirements and reasonable instructions regarding the operation of the Business, whether they now exist or are hereafter established from time to time. You shall adopt as a standard for performance and operation of your Business our standards and conform to all specifications relating to equipment, uniforms, signs, displays and other identifying materials, uniform record keeping practices, days and hours of operation and such other matters as may be in any administrative bulletins, and other confidential manuals or materials developed by us, or otherwise, as any of same may be modified from time to time by us. To insure the conformance and compliance by you with our standards of performance, you will permit us, our officers, employees and designated representatives to enter your Business at any time and from time to time, and to accompany you and/or your employees on sales calls, to conduct an inspection to ascertain whether or not the uniform standards are being met.

All of your employees must be clean and neat and must wear the required uniform, if any, at all times. Mandatory specifications, standards, and operating procedures prescribed from time to time by us, or otherwise communicated to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement" include all such mandatory specifications, standards and operating procedures.

8.2 Maintenance of Premises and Equipment

You shall at all times keep and maintain the premises and equipment for the Business in good repair and maximum working condition. If at any time during the Initial Term or any renewal thereof any of the equipment becomes obsolete or depreciated, then to the extent that they require replacement in accordance

with our standards, you will replace the same with items required by our then-current standards and specifications.

8.3 Sale of Approved Products and Services; Prohibited Products and Services

Our reputation and goodwill is based upon, and can be maintained and enhanced only by the use of, the provision of high quality Approved Products and Services. You agree, therefore, that you will only offer such Approved Products and Services that we shall authorize for the Business. You further agree that you will not sell your customer list(s) or customer contracts, or otherwise use your customer list(s) for any purpose other than in connection with the operation of your Business. You agree that you will not, without our prior written approval, offer or sell any type of product or service that is not authorized by us for the HERLIFE Business. If requested by us on at least thirty (30) days' notice as part of a general program or standardization effort by us, the marketing of a product or service must be discontinued.

8.4 Approved Suppliers

You shall adhere to our minimum quality standards and specifications for all facets of the HERLIFE Business, including supplies, advertising and sales promotion materials and other materials used in the operation of a Business. Such standards and specifications have been established by us for uniformity, quality control and to protect, maintain and foster its reputation, goodwill and public acceptance. All such information regarding standards and specifications shall be provided to you in writing or otherwise through a Confidential Operations Manual. The Confidential Operations Manual is incorporated in this Agreement by reference and you will comply with all provisions therein. All such standards and specifications may be modified at any time by us. We will provide you with a list of and specifications for the equipment and supplies which are consistent with the standard HERLIFE Business, as well as identification of any approved suppliers for such equipment and supplies. These lists are subject to change from time to time, and you must comply with any change we mandate.

(i) We have and will continue to periodically approve suppliers and distributors of the materials and supplies used in the operation of a Business that meet our standards and requirements, including, without limitation, standards and requirements relating to quality, prices, consistency, reliability, financial capability, labor relations and customer relations. You must purchase all materials and supplies only from distributors and other suppliers approved by us from time to time. You acknowledge, understand and agree that the production services for your HERLIFE Magazine may only be fulfilled through us.

(ii) We may approve a single distributor or other supplier (collectively "supplier") for any item and may approve a supplier only as to certain items. We may concentrate purchases with one (1) or more suppliers to obtain lower prices or the best advertising support or services for any group of Businesses. We may, if we choose, take advantage of discounts offered by a supplier in connection with the acquisition of large quantities of products and resell said products to you at a profit. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

(iii) If you desire to purchase any items or desire to purchase from any unapproved supplier, you must submit to us a written request for approval of the proposed item or supplier and obtain our written approval of the item or supplier prior to purchasing any such items or purchasing from said supplier. We may inspect the proposed supplier's facilities and require product samples from the proposed supplier to be delivered at our option either directly to us or to any independent entity which we designate for testing. Our evaluation and ultimate approval or

rejection shall be completed within thirty (30) days of submission of the request. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. We shall in no event be obligated to approve any proposed product or supplier.

8.5 Compliance with Applicable Laws

You shall secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Business. You must operate the Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, Anti-Terrorism Laws (as defined in Section 22.14), as well as all government regulations relating to workers' compensation insurance, unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. All advertising employed by you must be completely factual, in good taste (in our judgment), and must conform to the highest standards of ethical advertising. You must in all dealings with us, customers, suppliers, and public officials adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You must refrain from any business or advertising practice which may be harmful to our business, the goodwill associated with the Proprietary Marks or other HERLIFE Businesses. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental unit, which may adversely affect the operation or financial condition of you or the Business, or of any notice of violation of any law, ordinance or regulation relating to health or safety.

8.6 Business Management; No Employment Interference

You shall assure that at all times the Business must be under the direct, on-premises supervision of a Manager who has satisfactorily completed our training program. You shall staff the Business with the number of personnel as we specify from time to time or as may be required to effectively and efficiently operate the Business. You shall hire all employees of the Business and be exclusively responsible for the terms of their employment, their compensation, and for the proper training of the employees in the operation of the Business. You understand and acknowledge that you are expected to recruit and hire a sales team, when required by us upon your achievement of certain sales minimums, and to maintain the minimum number of employees as we require on such sales team. You must establish at the Business a training program for all employees that meets our standards.

You may not recruit or hire, either directly or indirectly, any employee (or former employee for six (6) months after his or her employment has ended) of a Business without our advance written permission or that of the employer-franchisee. (If you violate this provision, you shall pay the hired employee's former employer twice the hired employee's annual salary, plus all costs and attorneys' fees incurred as a result of the violation.). All activities conducted by you for your Business shall be conducted by you and your staff, under your exclusive control and authority.

8.7 Payments to Us or Our Affiliates

You shall provide that payment for all services purchased from us by you shall be due and payable within fifteen (15) days after receipt of an invoice therefor, unless otherwise specified by us. All other supplies, forms, documents and equipment required for the operation of the Business and not required to be purchased from us or our designees may be purchased from us or from any source or supplier approved or designated in writing by us or from any other source or supplier, provided that we shall have first approved in writing such other source or supplier, which approval shall not be unreasonably withheld so long as the standards of the System are met.

8.8 Training Requirements

You shall assure that the personnel working in the Business shall attend and participate at such additional or supplemental training courses, seminars and franchisee meetings as may be specified by us from time to time. We shall have the right to charge you a reasonable fee for such additional or supplemental training courses, seminars or franchisee meetings and you shall also be responsible to pay all travel, accommodation, meal and other expenses of you, your Director and other personnel in respect of attending and completing such courses, seminars or meetings.

8.9 Promotions

You shall actively participate in and cooperate with our national, regional and local advertising and sales promotion campaigns, and (without limiting the generality of the foregoing) you shall:

(a) obtain our prior written approval to all promotions, special events, sales promotion materials and advertising used by you (including, without limitation, on-site, Internet, direct mail, newspaper, radio and television advertising, and advertising by third parties in connection with your Franchised Business);

(b) conduct such promotions and special events and offer such promotional items as we may from time to time require;

(c) not make any television or radio appearance or make any statement to any media in connection with the System without first obtaining our written consent; and

(d) not use the name of a public figure or celebrity in your promotional efforts or advertising without our express written approval.

8.10 Minimum Sales Goals

You acknowledge that continuation of your territorial exclusivity and the rights granted to you hereunder does depend on your achieving a certain level of sales. During the first twelve (12) months of the Initial Term, you must generate gross advertising sales of not less than Twenty Thousand Dollars ($20,000) each month. After the first twelve (12) months of this Agreement, and for the remainder of the Initial Term, you must generate gross advertising sales of not less than Thirty Thousand Dollars ($30,000) each month. If you do not achieve the minimum sales requirement as described herein, we have the right to terminate this Agreement.

ARTICLE 9
PROPRIETARY MARKS

9.1 Proprietary Marks

When used in this Agreement, "Proprietary Marks" means the "HERLIFE" trademark and service mark which is used now or in the future to identify the HERLIFE Business and to distinguish it from that of any other business, together with the trademarks, service marks, trade names, logos and commercial symbols as may be designated by us from time to time for use in connection with the System. All references herein to our rights, title and interests in and to the Proprietary Marks shall be deemed to include the rights, title and interests of our affiliate.

9.2 License of Proprietary Marks

You are licensed to use the Proprietary Marks, goodwill and trade secrets in the operation of the Business only at the location specified in Schedule 1. Nothing in this Agreement shall be construed as authorizing or permitting their use at any other location or for any other purpose, except as may be authorized in writing by us.

9.3 Ownership of Proprietary Marks

You acknowledge that the ownership of all of the Proprietary Marks, goodwill and trade secrets remains solely with our licensor and that you shall not register or attempt to register the Proprietary Marks or to assert any rights in them other than as specifically granted in this Agreement.

9.4 Use of Proprietary Marks

You shall only use the Proprietary Marks, logos, trade styles, color combinations, designs, signs, symbols and slogans we specify, and only in the manner and to the extent specifically permitted by this Agreement, the Confidential Operations Manual or in any other manuals, directives or memos prepared by us.

9.5 Approval of Items Using Proprietary Marks

We reserve the right to approve all signs, memos, stationery, business cards, advertising material, forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the word "HERLIFE" or the phrase "HERLIFE Magazine" shall be in accordance with this Agreement and the Confidential Operations Manual, and you shall obtain our approval prior to such use.

9.6 Cessation of Use after Expiration, Termination or Non-Renewal

Upon the expiration, termination or non-renewal of this Agreement, you shall immediately cease using the Proprietary Marks, color combinations, designs, symbols or slogans; and we may cause you to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination or non-renewal, you shall not represent or imply that you are associated with us. To this end, you irrevocably appoint us or our nominee to be your attorney-in-fact to execute on your behalf any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. You acknowledge and agree that the unauthorized use of the Proprietary Marks will result in irreparable harm to us for which we shall be entitled to obtain injunctive relief, monetary damages, reasonable attorneys' fees and costs.

9.7 Notification of Infringement

You shall immediately notify us of any apparent infringement of or challenge to your use of the Proprietary Marks, or any claim, demand, or suit based upon or arising from the unauthorized use of, or any attempt by any other person, firm, or corporation to use, without authorization, or any infringement of or challenge to, any of the Proprietary Marks. You also agree to immediately notify us of any other litigation instituted by any person, firm, corporation or governmental entity against us or you.

9.8 Our Right to Defend

We shall undertake the defense or prosecution of any litigation concerning you that relates to any of the Proprietary Marks or that, in our judgment, may affect the goodwill of the System; and we may, in such circumstances, undertake any other action which we deem appropriate. We shall have sole and complete discretion in the conduct of any defense, prosecution or other action we choose to undertake. In

that event, you shall cooperate and execute those documents and perform those acts which in our opinion are necessary for the defense or prosecution of the litigation or for such other action as may be undertaken by us.

9.9 You May Use Only Designated Proprietary Marks

In order to develop and maintain high uniform standards of quality and service and to protect our reputation and goodwill, you shall do business and advertising using only the Proprietary Marks designated by us. You shall not do business or advertise using any other name. You are not authorized to and shall not use the word "HERLIFE" or the phrase "HERLIFE Magazine" by itself, as a part of the legal name of any entity to which you are associated, or with a bank account, trade account or in any legal or financial connection.

9.10 Inspection

In order to preserve the validity and integrity of the Proprietary Marks, and to assure that you are properly employing them in the operation of your business, we and our agents shall have the right at all reasonable times to inspect your business, financial books and records, and operations. You shall cooperate with and assist our representative in such inspection.

9.11 Copyright and Trademark Symbols

You shall be required to affix the ©, ®, ™ or SM symbol upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the word "HERLIFE," the phrase "HERLIFE Magazine" or any other of the Proprietary Marks, whether presently existing or developed in the future.

9.12 No Right to Deny Use of Proprietary Marks

You acknowledge that you do not have any right to deny the use of the Proprietary Marks to any other franchisee of ours. In consideration therefor, you shall execute all documents and take such action as may be requested to allow us or other franchisees of ours to have full use of the Proprietary Marks.

9.13 Avoidance of Conflict

If during the term of this Agreement there is a claim of prior use of the "HERLIFE" or "HERLIFE Magazine" names or any other of the Proprietary Marks in the area in which you are doing business or in another area or areas, you shall so use our other Proprietary Marks in such a way and at our discretion in order to avoid a continuing conflict.

9.14 Indemnification

We agree to indemnify you against, and to reimburse you for, all damages, costs, reasonable attorneys' fees and expenses for which you are held liable in any proceeding in which your use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceedings in which you are named as a party, provided that you have timely notified us of such claim or proceedings, have otherwise complied with this Agreement and have tendered complete control of the defense of such to us. If we defend such claim, we shall have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney retained by you.

9.15 Limited License; Modification or Substitution of Proprietary Marks

You understand and agree that the limited license to use the Proprietary Marks granted hereby applies only to such Proprietary Marks as are designed by us, and which are not subsequently designed by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Proprietary Marks.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then you shall be obligated to comply with any such instruction by us. We shall have no obligation to reimburse you for any of your expenses of compliance, and you waive any claim arising from or relating to any Proprietary Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You covenant not to commence or joint in any litigation or other proceeding against us for any of these expenses, losses or damages.

9.16 Name Registrations

Before commencing business at the Business, you must supply evidence satisfactory to us that you have complied with all applicable laws regarding the use of fictitious or assumed names. You must take such steps as we approve in writing to register the trade name "HERLIFE Magazine" to be able to operate the Business under such name. Except for registration of a "d/b/a" or assumed name or other fictitious name certificate in connection with the operation of the Business, you must not register or attempt to register our names or the Proprietary Marks in your own name or that of any other entity, nor shall you make any attempt to register a domain name which includes the Proprietary Marks.

ARTICLE 10
OPERATIONS MANUAL AND CONFIDENTIALITY

10.1 Confidential Operations Manual

We shall lend to you during the term of this Agreement an operations manual, which could include audio tapes, video tapes, computer disks and/or written materials and which we may choose to provide electronically, for the Business (herein referred to as the "Confidential Operations Manual") containing mandatory specifications, standards, methods, techniques and procedures for the operation of the Business prescribed from time to time by us for our franchisees, and containing information relative to your other obligations hereunder. All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws. Specifications, standards and operating procedures prescribed from time to time by us in the Confidential Operations Manual or otherwise communicated to you in writing shall constitute provisions of this Agreement as if fully set forth herein and shall be kept confidential by you at all times during the term of this Agreement and after the termination or expiration thereof for any reason. You shall operate your Business strictly in accordance with the Confidential Operations Manual. We shall have the right to add to, and otherwise modify, the Confidential Operations Manual from time to time to reflect changes in Approved Products and Services, the System, or the operation of the Business; provided, however, no such addition or modification shall alter your fundamental status and rights under this Agreement. You covenant to accept, implement and adopt any such modifications at your own cost. You shall keep the Confidential Operations Manual up to date with replacement pages and insertions as instructed by us. You acknowledge that the Confidential Operations Manual contains proprietary information of ours and you agree to keep the Confidential Operations Manual and its contents confidential at all times and not to make any copies thereof. The Confidential Operations Manual shall at all times

remain our property, and you shall promptly return the Confidential Operations Manual to us upon our request, and in any event upon the termination or expiration of this Agreement for any reason. In the event a dispute arises as to the contents of the Confidential Operations Manual, the master copy maintained by us shall be controlling.

10.2 Confidentiality

You shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information or know-how concerning the methods of operation of the System hereunder which may be communicated to you, or of which you may become apprised, by virtue of the operation of the Business under this Agreement. As used herein, "confidential information" includes, but is not limited to, our System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of HERLIFE Businesses, the terms of this Agreement, the Confidential Operations Manual, graphic designs and other intellectual property, your customer database and your subscriber list. You shall divulge such confidential information only to such of your employees who must have access to it in order to operate the Business. Any and all information, knowledge, and know-how including, without limitation, the materials, equipment, specifications, techniques, and other data, which the we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others; or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others.

You shall require all of your personnel execute covenants that they will maintain the confidentiality of information they received in connection with their employment by you at the Business. Such covenants shall be on a form provided by us, including the form of Confidentiality and Non-Competition Agreement attached hereto as Schedule 6, and which will include, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them. You shall provide us with a copy of each executed covenant within ten (10) days after it is executed.

You acknowledge that any failure to comply with the requirements of this Article 10 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by us when we seek to obtain specific performance of or an injunction against violation of the requirements of this Article 10.

10.3 Customer Database and Subscriber List

You acknowledge that the database of customers and subscriber list for your HERLIFE Magazine are proprietary to us, are our property, and upon termination, expiration or non-renewal of this Agreement, such database and list shall remain our property.

10.4 Return of Confidential Operations Manual

You shall keep the Confidential Operations Manual in your Business at all times and promptly return all copies to us upon the expiration or termination of this Agreement, and shall refrain from making any copies thereof or otherwise reproducing it either in whole or in part at any time.

ARTICLE 11
INSURANCE

11.1 Prior to opening the Business for business, you must obtain the insurance coverages we specify in the Confidential Operations Manual or otherwise in writing. The insurance policies must be

issued by the insurance carrier(s) that we designate or, if we do not designate a specific insurance carrier, by carriers having an A.M. Best rating of "A" or better. As of the date of this Agreement, you agree to purchase and maintain the following insurance coverages: (1) comprehensive general liability insurance, with limits of not less than Five Hundred Thousand Dollars ($500,000) combined single limit; (2) business automobile liability insurance for both owned and non-owned vehicles, with minimum limits of Two Hundred Fifty Thousand Dollars ($250,000) per person and Five Hundred Thousand Dollars ($500,000) per occurrence for bodily injury and One Hundred Thousand Dollars ($100,000) for property damage; (3) workers' compensation insurance and employer's liability insurance in the amounts required by applicable state law; and (4) any additional coverages that are required by state law, by the terms of your lease (if you choose to lease space), or that we may otherwise require.

11.2 You must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we so request, our parent, affiliates, directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

11.3 Not later than five (5) days before your Business opens for business, and thereafter upon renewal of each insurance policy, you must furnish us with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur.

11.4 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 11.

11.5 If you fail or refuse to purchase or maintain the prescribed insurance coverage, or to comply with any other requirement set forth in this Article 11, we shall have the right, without waiver of any other remedies, to secure such insurance on your behalf, at your expense, through agents and insurance companies of our choosing, and to take all other action necessary to protect our interests hereunder, or in the alternative, we shall have the right to terminate this Franchise Agreement.

ARTICLE 12
TERMINATION

12.1 Termination Upon Notice – No Opportunity to Cure

This Agreement shall immediately terminate upon notice to you if:

(a) you misstate or misrepresent any information provided to us in your application for a HERLIFE franchise;

(b) you fail to complete the initial training program to our satisfaction;

(c) you fail to open your Business or product your first issue of HERLIFE Magazine for your Territory in the timeframe specified in Article 3 herein; or

(d) you make a transfer, assignment or sale of the franchise or ownership in the franchise as defined in Article 15 hereof without first complying with the provisions of this Agreement;

(e) you use the System or Proprietary Marks, or provide any services to customers outside of your Territory, except as expressly authorized herein, or if your total distribution or sales exceed the parameters described in Section 1.4 above;

(f) you are insolvent, meaning unable to pay bills as they become due in the ordinary course of business;

(g) you fail to use us as the approved supplier to fulfill your production services, unless we have provided our prior written consent for you to do so;

(h) you receive 3 or more justifiable customer complaints in a twelve (12) month period;

(i) you willfully or fraudulently misrepresent any fact, condition or report required to be made by this Agreement;

(j) you fail to meet your minimum required sales, as described in Section 8.10 above; or

(k) you commit three (3) or more breaches of this Agreement or the Operations Manual in any consecutive twelve (12) month period, whether such breaches are subsequently cured or not.

12.2 Termination Upon Notice - Opportunity to Cure

We shall have the right to terminate this Agreement upon notice of default and the opportunity to cure if:

(a) you abandon or surrender or transfer control of the operation of the Business or fail to actively carry on business and such condition continues for five (5) days after notice of such default is given, provided, however, we shall not terminate this Agreement solely as a result of your abandoning the operation of the business associated with the Business due to death without first giving ten (10) days' prior written notice to your trustee, executor, administrator or next of kin as shown in our files;

(b) you operate the business associated with the Business in a manner that presents a health or safety hazard to your customers, employees or the public and such manner of operation continues uncorrected after notice from us and a ten (10) day period to correct same;

(c) you fail or refuse to pay any amount owed to us or any company affiliated with us for any debt whatsoever within ten (10) days after a demand for payment;

(d) you sell or offer for sale any unauthorized product or service after notice from us and a ten (10) day period to cease doing the same;

(e) you violate any law, ordinance, rule or regulation of any governmental agency in connection with the operation of the Business and fail to correct such violation after notice from us and a ten (10) day period to cure; or

(f) you fail to comply with any other provision of this Agreement, any other agreement with us or an affiliate, the Operations Manual, or any other specification, standard or operating procedure prescribed by us and do not correct such failure within thirty (30) days after written notice of such failure to comply (which notice shall describe the action that you must take) is delivered to you.

12.3 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Business's operations which would cause harm to the Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Business, operate the Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Business during such period of operation by us shall be kept in a separate account, and the expenses of the Business, including reasonable compensation at our then-current management fee rate and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

12.4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 12, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services for which we are an approved supplier to you, and we may suspend your web page on our Website until such time as you correct the breach.

ARTICLE 13
RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

13.1 Payment of Amounts Owed to Us and Other Creditors

You agree to pay, within seven (7) days of the effective date of termination or expiration of this Agreement, all amounts owed to us and any company affiliated with us and your trade and other creditors which are then unpaid. All periodic payments shall be deemed to accrue daily and shall be adjusted accordingly.

13.2 Return of Confidential Operations Manual and Retention of Records

You agree that, within fifteen (15) days of the effective date of termination, non-renewal or expiration of this Agreement for any reason, you will immediately return to us all copies of the Confidential Operations Manual, your customer database and subscriber list, and all other lists of customers, prospect and leads of the Business and all promotional or other materials of a proprietary nature or which bears any of the Proprietary Marks. You shall retain all business records for at least five (5) years following the expiration of termination of this Agreement, and shall keep us advised of the location of such records.

13.3 Cancellation of Assumed Names; Transfer of Phone Numbers

You agree, upon termination, non-renewal or expiration of this Agreement for any reason, to take such action as may be required to cancel all registrations relating to the use of any of the Proprietary Marks, including, but not limited to, any electronic address, domain name, search engine or website that associates you with us, the Business or the Proprietary Marks (if we allowed you to establish same), and will not directly or indirectly at any time or in any manner identify any premises or any business as a franchise, or yourself as a franchisee, of ours; and you shall not, in any manner or for any purpose, use any of the Proprietary Marks or any colorable imitation thereof. You shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number and any classified or other telephone directory listings associated with such names and ~~to~~ authorize the transfer ~~of same~~ to us or our new franchisee. You acknowledge that, as between us and you, we have the sole rights to and interest in all telephone numbers and directory listings associated with the Proprietary Marks. You will provide us, on execution, with undated assignments of internet Websites and listings and the telephone number and listings to us, in the form annexed hereto as Schedule 3.

13.4 Signs and Appearance of the Business

In the event that you own or have leased space for the Business and you maintain possession of the premises subsequent to the termination or expiration of this Agreement, you agree to immediately, upon our request, make such alterations and removals or changes in signs and colors as we may reasonably request so as to distinguish effectively the premises from its former appearance and from the then-prevailing Business image.

13.5 Continuing Obligations

All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect, notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 9, 10, 12 and 14 hereof shall survive termination or expiration of this Agreement.

13.6 Our Right to Repurchase

Upon expiration, non-renewal or termination of this Agreement, we shall have the option (but not the obligation), exercisable by written notice to you within thirty (30) days after expiration, non-renewal or termination of this Agreement, to purchase from you for cash all or a portion of the tangible assets of the Business. The purchase price for said assets shall be an amount agreed upon by you and us. In the event you and we cannot agree on a purchase price within a reasonable time, the purchase price shall be determined by an independent appraiser selected as follows: we and you shall each select one (1) appraiser and those (2) appraisers shall select a third appraiser who shall determine the purchase price. The decision of the third appraiser shall be binding on all parties. We and you shall each pay the cost of our respective appraisers, and the cost of the third appraiser shall be divided equally between us and you. In determining the purchase price, no value shall be included for intangibles, goodwill or going concern value.

The closing of our purchase of the assets (the "Closing") shall occur at a time and place designated by us, but in no event later than sixty (60) days after determination of the purchase price. The purchase price shall be paid in three (3) equal installments. The first installment shall be paid at the Closing and subsequent installments shall be due on the first and second anniversary dates of the Closing. Unpaid installments of the purchase price shall accrue interest from the date of the Closing until paid at the prime rate of interest announced from time to time by Citibank, N.A. or, if said bank stops announcing such a rate, then at the rate such bank charges its largest commercial borrowers for short term borrowing. Payment of any accrued interest shall accompany payments to you of each installment of the purchase price. We shall have the right to offset against and reduce the amount of the first installment of the purchase price,

and defer said installment, if necessary, by any and all amounts owed by you to us or any of our affiliates. If you are unable to deliver clear title to all the purchased assets or if there are other unresolved issues, the Closing will be accomplished through an escrow.

If we exercise the repurchase option set forth herein, we shall have the right, pending the Closing, to appoint a manager to maintain the operation of the Business. Alternatively, we may require you to close the Business during such time period. We have an unrestricted right to assign the option to repurchase set forth herein.

13.7 Liquidated Damages

Upon termination of this Agreement for cause, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 14
NON-COMPETITION

14.1 Non-Competition During Agreement

During the term of this Agreement, you shall not, in the United States, directly or indirectly, operate or offer any business which offer products and services similar to those offered at the HERLIFE Business (a "Competitive Business").

14.2 Non-Competition Following Termination, Expiration or Transfer

In the event of the expiration, non-renewal or termination of this Agreement for any reason whatsoever, or in the event this Agreement is transferred pursuant to Section 15.2, 15.5 or 15.8 hereof, you (or, in the case of a Transfer among the individuals comprising you pursuant to Section 15.5, the Transferor individual(s)) shall not, directly or indirectly, without our prior written consent, for two (2) years from the date of such expiration or termination or transfer, operate or offer a Competitive Business within your Territory, within a 50 mile radius of your Territory, or within another franchisee's territory or a radius of 50 miles from such territory as to any franchisee in the System as of the date of this Agreement.

14.3 [RESERVED]

14.4 Amendment of Restrictive Covenants

You acknowledge that the provisions of this Article 14 have been inserted for our sole benefit and that we shall have the right, from time to time during the term of this Agreement in our sole discretion, to waive in whole or in part or otherwise reduce the scope of any covenant set forth in this Article 14 or any portion thereof without your consent, effective upon our giving notice thereof to you.

14.5 Other Covenants

You covenant that after termination, non-renewal or expiration of this Agreement, regardless of the cause of termination or expiration, you shall not, without our prior written consent, directly or indirectly:

(a) adopt, use, employ or trade under any of the Proprietary Marks, nor adopt, use, employ or trade under any other name, mark or symbol that constitutes a reproduction, counterfeit, copy, imitation or variation thereof, or which is confusingly similar thereto;

(b) adopt, use, employ or trade under any description or representation that falsely suggests or indicates a connection or association with us;

(c) copy, communicate or otherwise use for the benefit of you or of any other person any information deemed confidential pursuant to Article 10 hereof; or

(d) contest or aid others in contesting the validity or enforceability of the Proprietary Marks or the System, contrary to Article 9 hereof.

14.6 Power of Attorney

You hereby irrevocably appoint us as your true and lawful attorney to take any action, execute any document, or do any other act or things required by Articles 9 and 13 hereof at your sole risk and expense upon your failure or refusal to comply fully therewith within fifteen (15) days after termination, non-renewal or expiration of this Agreement; and you further consent and agree that we or our designated agents shall have the right to enter the Business at any time, at your sole risk and expense and without liability for trespass, tort or other act, to make any alterations thereto required by Section 13.4 hereof upon your failure or refusal to do so within fifteen (15) days after the termination, non-renewal or expiration of this Agreement, and you hereby covenant and agree for your successors and assigns to allow, ratify and confirm whatever we shall do by virtue of the foregoing power of attorney. You hereby declare that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on your part.

ARTICLE 15
ASSIGNMENT, TRANSFER AND SALE

15.1 By Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "HERLIFE Magazine, LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the publishing business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

15.2 By You

You shall not, in whole or in part, voluntarily or involuntarily, directly or indirectly, pledge, encumber, mortgage, assign, subdivide, subfranchise or otherwise transfer any interest in this Agreement, or any interest in the Business or the franchise granted hereunder (including, without limitation, by your personal representatives in the event of the death of the non-corporate Franchisee, by will, declaration of, or transfer in, trust or the laws of intestate succession), or any interest in you or in any entity which owns any interest in this Agreement or in the Business or the franchise granted hereunder or in you, nor offer, permit or suffer the same without our prior written approval. Approval shall be subject to compliance with each of the following conditions either before or concurrently with the effective date of the transfer:

(a) your being then in full compliance herewith and settling and paying to us or our affiliates all outstanding debts;

(b) the transferee executing our then-current Business franchise agreement and such other ancillary agreements, instruments and documents then customarily used by us to grant Business franchises as well as satisfactorily completing our initial training program;

(c) you and your officers, directors and shareholders, if a corporation, executing a general release of us, our officers, directors and employees;

(d) the transferee purchasing all of your assets used in the business of the Business in accordance with all applicable bulk sales legislation and assuming all of your business liabilities;

(e) the transferee being an individual or corporate entity having adequate financial resources and otherwise meeting all the criteria for "HERLIFE" franchisees;

(f) you or transferee remitting to us a transfer fee in the amount of Five Thousand Dollars ($5,000) for the administration of such transfer, the preparation, execution and filing of all documentation required by us in connection with such transfer, and the training of the transferee;

(g) you and transferee entering into a written agreement of purchase and sale, the form and content of which shall be subject to our approval;

(h) neither the transferee nor its owners or affiliates operate or have any ownership interest in a Competitive Business or any other business which in any way competes with a "HERLIFE" Business;

(i) if you finance any portion of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements or security interests reserved in the

Business are subordinate to the transferee's obligation to pay Marketing Fund contributions and other amounts due to us, our affiliates and third party vendors and otherwise to comply with this Agreement;

(j) you or your transferring owners (and their spouses) will not, for three (3) years beginning on the transfer's effective date, engage in any of the activities prescribed in Section 14.2 hereof; and

(k) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Businesses they own and operate) identify yourselves or any business as a current or former "HERLIFE" Business or as one of our franchisees; use any Proprietary Mark, any colorable imitation of a Proprietary Mark, or other indicia of a "HERLIFE" Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

15.3 Effect of Consent to Transfer

Our consent to a transfer of this Agreement and the Business or any interest in you is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement's terms and conditions.

15.4 Assignment to Corporate Entity

Notwithstanding Section 15.2, if you have executed this Agreement as an individual, you shall, subject to Article 16, assign this Agreement without charge, once only, to a newly formed corporate entity (including a limited liability company or other entity) which shall conduct no business other than the franchise granted hereunder, which is actively managed by you and in which you (and any other individuals executing this Agreement as Franchisee) at all times own and control the same percentage equity and voting rights and interests in the corporate entity as owned individually. You and such corporate entity shall execute an agreement, in a form approved by us, to transfer such interests to a corporate entity, and you and all of your owners shall execute our form of personal guaranty.

Upon the assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors and shareholders (or managers and members or partners, as the case may be) to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its formation documents to provide in effect that its object or business is confined exclusively to the operation of a "HERLIFE" Business as provided in this Agreement, and cause the entity to restrict the issue of, and its directors and shareholders (or managers and members or partners, as the case may be) to restrict the transfer of, interests in the entity so that you (and any other individuals executing this Agreement as Franchisee) shall continuously own greater than fifty percent (50%) of the equity and voting rights and interests in such entity.

15.5 Transfer Among Franchisees

In the event that you comprise two (2) or more individuals, we shall not unreasonably withhold our consent to a sale, assignment or transfer of any kind (a "Transfer") of the interest of one (1) such individual (the "Transferor") in the franchise hereunder to the other individual or individuals comprising you, if but only if:

(a) the Transferor transfers the whole of such interest in this Agreement and the lease and all other agreements relating to the franchise hereunder;

(b) the Transfer shall not relieve the Transferor of the Transferor's obligations hereunder to us;

(c) the Transfer shall be completed in accordance with all applicable bulk sales legislation;

(d) the Transferor shall have given us at least thirty (30) days' prior written notice of the proposed Transfer, together with all reasonable details thereof which we may demand;

(e) the Transferor and the remaining individual(s) with an interest in you execute such documents as may be required by us in connection with such Transfer; and

(f) the remaining individual(s) with an interest in you is (are), in our opinion, capable of operating the business associated with the Business without the Transferor.

15.6 Our Right of First Refusal

If you shall at any time decide to sell the Business or the ownership interest therein, you shall obtain a bona fide, executed written offer to purchase the Business, together with all assets used by you in connection with the Business, from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to us. We shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, but not the obligation, exercisable by written notice to you, to purchase all of the said assets of you for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer and there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with such sale. During said thirty (30) day period, we shall have the right to inspect all of your books and records relating to the Business's operation, specifically including all financial records and statements for the three (3) full fiscal years preceding the date on which the thirty (30) day right of first refusal commences, and if you are a corporate entity, all corporate minute books and transfer records. If we do not exercise our right of first refusal, you may complete the sale of the Business to such purchaser on the same terms offered to us subject to the provisions of Section 15.2 hereof. If the sale to such purchaser is not completed within sixty (60) days after delivery of such offer to us, or if the material terms of the offer change, we shall again have the right of first refusal herein provided.

15.7 Temporary Operation of Business by Us

For the purposes of this Section 15.7, "you" shall include the controlling shareholder of a corporate Franchisee. In the event that you:

(a) fail to keep the Business open for business during the hours required by us (whether pursuant to the Confidential Operations Manual or otherwise), subject to applicable law;

(b) are absent from the Business for more than fifteen (15) consecutive days or for more than thirty (30) days in any consecutive ninety (90) day period, or abandon the Business; or

(c) die or become incapacitated and your heirs or personal representatives have not yet, or do not, assume control of the Business by means of an assignment (with our approval) pursuant to Sections 15.2 and 15.8 hereof, then, unless and until we terminate this Agreement pursuant to Article 12 or Section 15.8 hereof, we shall be entitled to operate and manage the Business for your (or your estate's)

account until the franchise hereunder is terminated, assigned to a party acceptable to us or until you resume control over the Business and operate it in accordance herewith; provided, however, that no such operation and management by us shall continue for more than ninety (90) days without the written consent of you or your personal representatives or the representatives of your estate. In the event that we so operate the Business, we shall account to you (or your estate) for all net income from such operation, less our reasonable expenses incurred in, and a reasonable management fee at our then-current per diem management rate for, our operation of the Business. If, as herein provided, we temporarily operate the Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

15.8 Death or Incapacity

For the purposes of this Section 15.8, "you" shall include the controlling shareholder of a corporate Franchisee. If you die or become incapacitated (which shall be deemed to include, in our reasonable opinion, your inability, by reason of physical or mental illness or disability, to operate the Business in the ordinary course for a period of thirty (30) days or more in any consecutive ninety (90) day period) so that you (or, in the case of your incapacity only, the Manager(s)) are not able to devote full time and attention to the operation of the Business, then the rights granted hereunder may be transferred to the heirs or personal representatives of you, if our prior written consent is obtained, within twelve (12) months from the beginning of the disability or from the date of death. In no event will we be willing to provide our consent to such transfer unless the conditions set forth in Section 15.2 hereof (save and except the requirement to pay our then-current transfer fee) are satisfied. In the event that such conditions (save and except the requirement to pay our then-current transfer fee) are not satisfied, we shall have the right in our sole discretion to terminate this Agreement by notice, in the case of death, to your estate and, in the case of your incapacity, to you.

ARTICLE 16
PARTNERSHIP AND CORPORATE FRANCHISEES

If you are or your successor is a partnership, limited liability company, or corporation, or if the franchise granted hereunder is assigned to a partnership, limited liability company, or corporation pursuant to Article 15 hereof:

(a) upon the execution of this Agreement (or, in the case of an assignment, upon such assignment) and subject to the provisions of Article 15 hereof, upon each transfer of an interest in this Agreement or in you, all holders of an interest in you shall execute a written agreement with us, in a form approved by us, individually undertaking to be bound, jointly and severally, by all of the terms of this Agreement;

(b) the articles of partnership, partnership agreement, articles of incorporation, by-laws, certificate of formation, operating agreement and other organization documents shall recite that the issuance and transfer of any interest therein is restricted by the terms of Article 15 of this Agreement and copies thereof shall be furnished to us at our request. You shall also submit to us, at any time upon request, a list of all directors, officers, partners, beneficial shareholders, managers and/or members reflecting their respective interests in you and other information regarding you, in such form as we may require.

ARTICLE 17
TAXES, PERMITS AND INDEBTEDNESS

17.1 Responsibility for Taxes

You shall be solely responsible for all expenses of the business franchised by this Agreement and shall promptly pay when due all taxes levied or assessed and all indebtedness to us or to others incurred by you in connection with the conduct of such business.

17.2 Compliance with Laws

You shall comply with all federal, provincial and local by-laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business licensed by this Agreement, including, without limitation, licenses to do business, name registrations and sales tax permits.

17.3 Notice of Litigation

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other government instrumentality which may adversely affect the operation or financial condition of the Business.

ARTICLE 18
CUSTOMER RELATIONS

18.1 Cooperation

You shall cooperate with us and all other franchisees of ours in promoting good public and customer relations with the public generally and with customers and potential customers, including subscribers and potential subscribers, of the Business.

18.2 Notice to Us

You shall forthwith forward to us copies of all correspondence received from customers or subscribers containing complaints or compliments regarding service received from you or from any other franchisee of ours.

18.3 Customer Complaints

You shall promptly advise and provide us with copies of all complaints received from customers or subscribers. We shall be entitled to respond to any complaints or to require you to respond to any complaints. You must also follow our strict customer service and satisfaction guidelines as set forth in the Confidential Operations Manual.

ARTICLE 19
RELATIONSHIP AND INDEMNIFICATION

19.1 Independent Parties

You are and will at all times remain an independent contractor and are not and shall not represent yourself to be the agent, joint venturer, partner or employee of ours, or to be related to us other than as our independent franchisee. No representations will be made or acts taken by you which could establish any apparent relationship of agency, joint venture, partnership or employment, and we shall not be bound in any manner whatsoever by any agreements, warranties or representations made by you to any other person,

nor with respect to any other action of yours. You shall not establish any bank account, make any purchase, apply for a loan or credit, or incur or permit any obligation to be incurred in our name or on our credit. All business activities shall be conducted by yourself and your staff on behalf of your Business.

19.2 Non-Liability

We shall not be obligated or liable for any injury or death to any person, or damage to or loss of any property caused by your action, failure to act, negligence, breach of this Agreement or willful misconduct, nor for any liability of yours.

19.3 Indemnification

You shall, during the term of this Agreement and after the termination or expiration of this Agreement and in addition to your obligations contained in Article 11 hereof, indemnify us and our officers, directors and employees, and hold them harmless from and against all damages, losses, claims, actions, liability, expenses and costs for which we or they are held liable or for which we or they incur (including attorney costs, travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

(a) a breach by you of this Agreement, or any other lease, agreement or contract to which we and you are parties;

(b) any injury to, or loss of property of, any person relating to your operation of the Business;

(c) your taxes, liabilities, costs or expenses of your Business;

(d) losses, claims or damages incurred by persons, other than you, due to errors or omissions contained in financial statements prepared by you pursuant to Section 4.7 hereof, even if caused by the negligence of us, our employees, agents, contractors, or others for whom we are, in law, responsible;

(e) any negligent or willful act or omission of you, your employees, agents, servants, contractors or others for whom you are, in law, responsible; and

(f) any advertising or promotional material distributed, broadcast or in any way disseminated by you or on your behalf, unless such material has been produced or approved in writing by us.

ARTICLE 20
SECURITY INTERESTS

20.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Business. All items in which a security interest is granted are referred to as the "Collateral".

20.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

20.2.1 All amounts due under this Agreement or otherwise by you;

20.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

20.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

20.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

20.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Business, including, but not limited to, a real property mortgage and equipment leases.

20.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

20.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

20.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Kansas (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

20.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 21
DISPUTE RESOLUTION

21.1 Choice of Law. This Agreement is effective upon its acceptance in Kansas by our authorized officer. Except as to claims governed by federal law, Kansas law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

21.2 Jurisdiction and Venue. You and we agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Overland Park, Kansas.

21.3 Jury Waiver. In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

21.4 Class Action Waiver. You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

21.5 Punitive Damages Waiver. As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

21.6 Limitation of Actions. You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

21.7 Prior Notice of Claims. As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

21.8 Internal Dispute Resolution. You must first bring any Claim to our CEO, after providing notice as set forth in Section 21.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

21.9 Mediation. Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we can not mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

21.10 Waiver of bond. You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

21.11 Attorney Fees. If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

21.12 Third Party Beneficiaries. Our officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Dispute Resolution provisions contained herein.

21.13 Survival. All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

21.14 Severability Clause. If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

ARTICLE 22
GENERAL

22.1 Joint and Several

If two (2) or more parties shall sign or be subject to the terms and conditions of this Agreement as Franchisee, the liability of each such party to make the payments to be made and to perform all other obligations to be performed under or pursuant to this Agreement shall be deemed to be joint and several. A breach hereof of one (1) such party or you shall be deemed to be a breach of both or all.

22.2 Rights Cumulative

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

22.3 Entire Agreement and Amendments

This Agreement, the schedules hereto and any documents incorporated by reference herein, contain the entire understanding and agreement of the parties hereto concerning the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof, whether oral or written; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except as provided herein or in the Disclosure Document, you acknowledge and agree that there are no warranties, representations, statements, promises or inducements, express or implied, or collateral, whether oral or written, about this Agreement by us or our officers, directors, shareholders, employees or agents that are contrary to the terms of this Agreement or the documents referred to herein. No amendment or other modification to this Agreement shall be valid or binding upon the parties unless the same is in writing.

22.4 Non-Waiver

No waiver by us of any breach, failure or default in performance by you and no failure, refusal or neglect of ours to exercise any right hereunder or to insist upon strict compliance with or performance of your obligations hereunder shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach, failure or default and shall not constitute a waiver by us of our rights at any time or thereafter to require strict compliance with the provisions hereof.

22.5 Invalid Provisions; Substitution of Valid Provisions

As stated earlier in this Agreement, if any provision of this Agreement relating to the payment of fees to us, to non-competition during the term of this Agreement, or to the preservation of any of the Proprietary Marks or confidential information disclosed pursuant to this Agreement is declared invalid or unenforceable, and if, as a result, we believe in our sole opinion that the continuation of this Agreement would not be in the best interests of the System, we have the right to terminate this Agreement on written

notice to you. If any state or federal law requires renewal of this Agreement, you agree to enter into our then-current form of Franchise Agreement. To the extent that any restrictive covenant contained in this Agreement is deemed unenforceable because of its scope in terms of area, business activity prohibited, or length of time, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

If any lawful requirement or court order of any jurisdiction (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or (2) makes any provision of this Agreement or any specification, standard or operating procedures prescribed by us invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

22.6 Time of Essence

Time shall be of the essence in this Agreement.

22.7 Gender

Whenever a personal pronoun is used herein, it is understood that such usage shall include both singular and plural, masculine, feminine and neuter, and refer in appropriate cases to corporations or other legal entities as well as to individuals.

22.8 Notices

All notices, consents, approvals, statements, authorizations, documents, or other communications required or permitted to be given hereunder shall be in writing, and may be delivered personally or mailed by registered mail, postage prepaid, or transmitted by facsimile or other form of electronic communication tested prior to transmission to the said parties at their respective addresses set forth hereunder, namely:

To the Franchisor at:	HERLIFE Magazine, LLC 7500 W. 160th St. Ste. 102 Overland Park, Kansas 66085 Attn: President Fax: (866) 827-6851
To the Franchisee at:	The last physical or email address that we have on file.

or at any such other address or addresses as the party to whom such notice, consent, approval, statement, authorization, documentation or other communication is to be given may designate by notice in writing so given to the other parties hereto as provided hereinbefore. Any notices, consents, approvals, statements, authorizations, documents or other communications, if mailed, shall be deemed to have been given on the fifth (5^{th}) business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or transmitted by facsimile or other form of electronic communication, shall be deemed to have been given on the day of delivery or transmission (as the case may be), if a business day, or if not a business day, on the business day next following the day of delivery or transmission (as the case may be).

22.9 Impossibility of Performance

Notwithstanding anything to the contrary contained in this Agreement, if either party hereto is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labor troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, acts of God or other reasons beyond the control of such party, whether all of a like nature or not, which is not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then the performance of such term, covenant or act is excused for the period of the delay and the party so delayed shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section shall not in any way operate to excuse you from the prompt payment of any fees, royalties or other sums required to be paid to us or our affiliates by the terms of this Agreement, or from the prompt performance of any of your other obligations hereunder where such prompt performance is delayed, hindered or prevented by reason of lack of funds.

22.10 Further Assurances

Each of the parties covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgments or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof. You shall, within the time and from time to time forthwith upon our request, provide us with a statutory declaration confirming any matter provided for in this Agreement. You shall, at any time and from time to time forthwith upon our request, provide us with access to your corporate records to confirm your compliance with the terms of this Agreement.

22.11 Enforcement; Injunctive Relief

You acknowledge that your failure to comply herewith could cause us irreparable harm which may not be compensable by way of damages, and, therefore, we shall be entitled to apply to a court of competent jurisdiction to have itself appointed as the receiver of your business and to obtain (without bond) declarations, temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to your use of the Proprietary Marks, relating to your obligations upon termination or expiration of this Agreement, and relating to assignment of the franchise hereunder and ownership interests in you, and to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, by-law or regulation, is dishonest or misleading to your customers or prospective customers, or constitutes a danger to employees, customers, or to the public, or which may impair the goodwill associated with the Proprietary Marks. If we secure any such injunction, declaration or order of specific performance, you agree to pay to us any damages incurred by us as a result of your breach of any provision, our full attorney and customer costs and all expenses we may have incurred to enforce this Agreement (including a reasonable allowance for our employees' time spent).

22.13 Changes and Modifications to the System

You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the specifications which you

are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions or alterations.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE 23
YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

23.1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that:

(a) If you are an entity, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Franchised Business.

(b) If you are an entity, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

(c) You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

(d) As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or owners (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

(e) Neither you nor any of its owners is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

(f) All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

23.2 Your Acknowledgments

You acknowledge, warrant and represent to us and we rely on such acknowledgments, warranties and representations that:

(a) No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Franchised Business, or any other Business owned by us, our affiliates or a franchisee. We make no guaranties, promises, representations, statements or warranties that you can or will achieve any level or range of sales, income or other measures of performance.

(b) No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your anticipated income, earnings and growth or that of us or the System, or the viability of the business opportunity being offered under this Agreement.

(c) Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees.

(d) You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisors (if you so elect) of your choosing. You have been advised to consult with your advisors with respect to the legal, financial and other aspects of this Agreement, the Franchised Business, and the prospects for the Franchised Business. You have either consulted with these advisors or have deliberately declined to do so.

(e) You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise, at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

(f) No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the offering of one or more of the services contemplated to be offered by the Franchised Business.

(g) You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

(h) Attached hereto as Exhibit G is a Franchisee Disclosure Acknowledgment Statement. You shall have received and answer the questions thereon, relating to representations that have or have not been made to you. You have initialed and executed the Statement voluntarily and attached it hereto.

(i) You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement. Whenever we have the right

within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you. Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants to us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

FRANCHISEE:

By:_____

FRANCHISOR:
HERLIFE MAGAZINE, LLC

By:_____
Tammy Crystal McDonald, Publisher

SCHEDULE 1

TERRITORY

The Territory which relates to the foregoing Franchise Agreement shall be: _____

_____

_____

FRANCHISEE:

By:_____

FRANCHISOR:
HERLIFE MAGAZINE, LLC

By:_____
Tammy Crystal McDonald, Publisher

SCHEDULE 2

AUTHORIZATION AGREEMENT FOR ELECTRONIC FUNDS TRANSFER

_____ (Name of Person or Legal Entity)
_____ (Address)

The undersigned depositor ("**Depositor**") hereby authorizes HERLIFE Magazine, LLC ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Company's instructions.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

This authorization is to remain in full and force and effect until sixty (60) days after Company has received written notification from Depositor of its termination.

_____
Depositor

By:_____

Name:_____

Title:_____

Date:_____

[**Please attach a voided check**]

SCHEDULE 3

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the _____ day of _____, 20___ (the "Effective Date"), by and between HERLIFE Magazine, LLC, a Kansas limited liability company ("Franchisor"), and _____, a _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a HERLIFE Magazine Franchise Agreement (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of Section 5.4 and Article 9 of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this

Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. **MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

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

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

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

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Kansas, without regard to the application of Kansas conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

By:_____
~~Kady Weddle, Member~~Name, Title

FRANCHISOR:
HERLIFE MAGAZINE, LLC

By:_____
Tammy Crystal McDonald, Publisher

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the _____ day of _____, 20___ (the "Effective Date"), by and between HERLIFE Magazine, LLC, a Kansas limited liability company ("Franchisor"), and _____, a _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a HERLIFE Magazine Franchise Agreement (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

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

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that

may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

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

3. **MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such

powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

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

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

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

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Kansas, without regard to the application of Kansas conflict of law rules.

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

FRANCHISEE:

By:_____

FRANCHISOR:
HERLIFE MAGAZINE, LLC

By:_____
Tammy Crystal McDonald, Publisher

SCHEDULE 4

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20__, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by HERLIFE MAGAZINE, LLC ("us", "we", or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; and (4) this liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment of performance of the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement.

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

_____

_____

_____

_____

SCHEDULE 5

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees, shareholders, officers, directors, general partners, members, and managers of Franchisee)

In consideration of my being a _____ of _____ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from HERLIFE Magazine, LLC (the "Company") to establish and operate a HERLIFE business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Approved Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which produce a magazine geared toward women that is available free to the public and by direct mail subscriptions. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person or entity, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products and services offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, operate or engage in in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Territory, as defined in the Franchise Agreement ("Franchisee's Territory");

7.2 Fifty (50) miles of Franchisee's Territory; or

7.3 Fifty (50) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Kansas. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

[Signature Page Follows]

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By:_____

Name:_____

Title:_____

SCHEDULE 6

STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Sections 12.1 and 12.2 are deleted and in their place are substituted the following:

12.1 Termination Upon Notice- No Opportunity to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 20020 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

12.2 Termination Upon Notice-–Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60-–day opportunity to cure, for any other breach of this Agreement.

Section 4.1 of the Franchise Agreement is modified to also state: In the State of California, we will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

FRANCHISEE:	HERLIFE Magazine, LLC
By:_____	By:_____ Tammy Crystal McDonald, Publisher
By:_____	Date:_____

SCHEDULE 7

SBA ADDENDUM TO FRANCHISE AGREEMENT

ADDENDUM TO FRANCHISE AGREEMENT[1]

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee 's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee 's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor .

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee .

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR :

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE :

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee . Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

California

Sass Productions Inc.
Carrie & Anna Sass
628 Lincoln Center
Stockton, CA 95205
209-612-5478

Missouri

217 Media LLC
Kady Weddle
8131 W. 124th Street
Overland Park, KS 66213
Columbia, MO
816-294-8094

New York

Beddoe Publishing
65 Long Alley
Saratoga Springs, NY 12866-2156
518-580-5102

Franchise Agreement Signed But Outlet Not Yet Open (as of 12/31/~~2022~~2023):

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAD AN OUTLET TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None

EXHIBIT F TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

CHRISTOPHER J. CLAIR, CPA, P.A.

HERLIFE MAGAZINE, LLC

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

December 31, 2023 and 2022

6409 GLADSTONE DRIVE SHAWNEE, KS 66218 PHONE: 913-244-2521 cjccpa@kc.rr.com

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS:	
Balance Sheets	4 - 5
Statements of Operations	6
Statements of Members Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14

CHRISTOPHER J. CLAIR, CPA, P.A.

INDEPENDENT AUDITORS' REPORT
February 23, 2024

To the Members
HERLIFE Magazine, LLC

Opinion

We have audited the accompanying financial statements of HERLIFE Magazine, LLC (a Kansas limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, members equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HERLIFE Magazine, LLC as of December 31, 2023 and 2022, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note H to the financial statements, the Company has suffered significant reductions in royalty and creation fees revenue, has incurred significant bad debt write offs, has a significant net deficiency in members equity, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note H. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

6409 GLADSTONE DRIVE SHAWNEE, KS 66218 PHONE: 913-244-2521 cjccpa@kc.rr.com

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

a) Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Christopher J. Clair, CPA, P.A.
Shawnee, KS

HERLIFE Magazine, LLC
Balance Sheets
December 31, 2023 and 2022

ASSETS

Current Assets:	**2023**	**2022**
Cash - operations	$ 798	$ 1,122
Accounts receivable	5,216	4,841
Prepaid insurance	---	1,555
Prepaid rent	1,357	1,357
Total Current Assets	7,371	8,875
Property and Equipment:		
Right-of-use lease asset - operating lease	60,085	60,085
Less: accumulated amortization	23,875	9,360
Total Right-of-Use Lease Asset	36,210	50,725
Total Assets	**$ 43,581**	**$ 59,600**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Balance Sheets
December 31, 2023 and 2022

LIABILITIES AND MEMBERS EQUITY

Current Liabilities:	**2023**	**2022**
Accounts payable	$ ---	$ 3,800
Intercompany payable - KLP	424,373	367,775
Accrued wages and payroll taxes	1,158	985
Operating lease liability - current portion	15,106	14,515
Total Current Liabilities	440,637	387,075
Long-term Liabilities:		
Operating lease liability - non-current portion	21,104	36,210
Total Liabilities	461,741	423,285
Members Equity (Deficit)	**(418,160)**	**(363,685)**
Total Liabilities and Members Equity	**$ 43,581**	**$ 59,600**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Operations
Years Ended December 31, 2023 and 2022

	2023	2022
Revenues:		
Royalties and creation fees	$ 55,113	$ 59,119
Total Revenues	**55,113**	**59,119**
Operating Expenses:		
Office rent - expired lease	---	8,862
Lease expense - new operating lease	16,280	10,853
Writer professional fees	18,465	24,305
Graphic design contractor fees	16,500	---
Wages and salaries - employees	43,342	81,624
Payroll taxes	3,428	6,534
Insurance	1,555	3,100
Licenses and fees	---	600
Legal and accounting fees	6,417	5,100
Bad debt expense	3,601	---
Total Expenses	**109,588**	**140,978**
Net Loss	**$ (54,475)**	**$ (81,859)**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Members Equity
Years Ended December 31, 2023 and 2022

Members Equity (Deficit), December 31, 2021	$ (281,826)
Net loss for 2022	(81,859)
Member contributions	---
Member distributions	---
Members Equity (Deficit), December 31, 2022	**(363,685)**
Net loss for 2023	(54,475)
Member contributions	---
Member distributions	---
Members Equity (Deficit), December 31, 2023	**$ (418,160)**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

Cash flows from operating activities:	**2023**	**2022**
Net loss	$ (54,475)	$ (81,859)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of right-of-use lease asset - operating lease	14,515	9,360
Changes in assets and liabilities:		
Increase in accounts receivable	(375)	(4,841)
Decrease in franchise fee receivable	---	7,000
Decrease in prepaid insurance	1,555	1,545
Decrease in prepaid rent	---	243
Decrease in rent security deposit	---	1,558
Increase (decrease) in accrued wages and payroll taxes	173	(876)
Decrease in operating lease liability	(14,515)	(9,360)
Increase (decrease) in accounts payable	(3,800)	299
Increase in intercompany payable - KLP	56,598	33,026
Net cash used in operating activities	(324)	(43,905)
Net decrease in cash	**(324)**	**(43,905)**
Cash, beginning of year	**1,122**	**45,027**
Cash, end of year	**$ 798**	**$ 1,122**
Supplemental Disclosures - Non-Cash Financing Activities		
Right-of-use operating lease asset obtained in exchange for lease obligation	$ ---	$ 60,085

(See Independent Auditors' Report and Accompanying Notes)

Note A - Nature of Operations

HERLIFE Magazine, LLC (the "Company") was organized and formed on March 31, 2015 in the State of Kansas as a limited liability company. The Company operates as a franchisor for HERLIFE Magazine and offers franchising opportunities for women's magazine publication in designated local markets throughout the country. The Company conducts its principal business activities in Overland Park, Kansas. HERLIFE Magazine is currently licensed in all fifty states.

The Company and the franchisee operate under the terms of a Franchise Agreement. The franchisee is required to pay the franchisor an initial franchise fee of $35,000. The Company, as franchisor, also receives monthly royalty fees and creation/production fees from the franchisee, primarily based on publication advertising sales. Any transfer or assignment of a franchise between two franchisees is subject to paying the Company (franchisor) a transfer fee of $5,000.

On April 8, 2015, HERLIFE Magazine was purchased by the Company through an executed Asset Purchase Agreement with the former owner. The purchased assets and related financing are being reported on the books of the Company's related Franchisee entity, KLP Enterprises, LLC. The Franchise Disclosure Document (FDD) that HERLIFE Magazine operated under was transferred and assigned to the Company upon the purchase. The FDD was revised and reissued on March 10, 2016. The Company commenced operations on April 24, 2015.

Note B - Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Cash - Operations

The Company holds operating cash in a checking account at Central Bank.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Note B - Summary of Significant Accounting Policies (Continued)

Accounts Receivable - Operations

Accounts receivable at December 31, 2023 is due from a franchisee for royalty fees and creation/production fees earned by the Company. This receivable was collected in full in January 2024.

The Company typically uses the reserve method in accounting for bad debts. Under this method, all potential uncollectible accounts are charged to the allowance account to a reserve considered reasonable by management. No allowance for doubtful accounts was necessary as of December 31, 2023 as all accounts considered uncollectible have been written off directly to bad debt expense.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents would include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Revenue Recognition

The Company recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606). The terms of the current Franchise Disclosure Document (FDD) require franchisees to pay the Company an initial franchise fee in exchange for the Company's assistance in training, manuals, systems and a designated territory to operate in. The FDD requires a new franchisee company to open their business, begin operations and produce their first issue of HERLIFE Magazine for their designated territory no later than 90 days after signing the Franchise Agreement.

Under ASC 606, the franchisor must determine if the pre-opening activities contain any distinct goods or services, known as performance obligations, and then allocate the initial franchise fees to those performance obligations using the stand-alone selling price of the goods or services. Using this method, typically all of the performance obligations are usually met for a new franchisee upon obtaining the initial franchise fee due to the franchisee typically completing its training and commencing operations within the required time period mentioned above. Therefore, the initial franchise fee would be earned and recognized and the performance obligation is considered satisfied at that point in time.

Note B - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

In addition, franchisees are required to pay a royalty fee equal to seven percent (7%) of gross advertising sales from the publication and a production fee of $50 per page in the publication in accordance with the terms outlined in the FDD. In accordance with ASC 606, these fees are recognized when the publication is produced and distributed and the performance obligation is considered satisfied at that point in time.

Accounting for Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The effective date for this standard experienced delays and extensions. The effective date ended up being January 1, 2022. Under this standard, a lessee is required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for similar to the previous guidance under ASC 840 and are exempted under the new standard ASC 842. Leases are classified as either a finance lease or an operating lease. Finance leases (which replaces the term "capital lease" under previous guidance) typically involve autos and equipment and operating leases typically involve property. In order to be classified as a finance lease the lease must meet one of the five specific criteria requirements as stated in the standard. Otherwise, the lease is considered to be an operating lease.

The right-of-use asset and the lease liability are measured and recorded at present value of payments over the lease term at the lease commencement date. The present value calculation utilizes a discounted interest rate which typically considers the applicable federal rate or the Company's incremental borrowing rate as defined. Lease renewal options must be considered in the lease term utilized for the calculation. If the lessee concludes that it is reasonably certain that it will exercise the renewal option, then the renewal term will be added to the original lease term and the present value calculation will utilize this extended lease term. Total lease cost (consisting of combined amortization and interest) is included in the income statement as lease expense and the amortized cost, which reduces the asset and liability, utilizes the straight-line method over the determined lease term.

Income Taxes

No income tax provision has been included in the financial statements since the Company is classified as a partnership for tax reporting purposes. Income or loss of the Company is required to be reported by the respective members on their income tax returns in accordance with their ownership interests.

Note C - Lease Commitments (Prior guidance under ASC 840)

Upon the purchase of HERLIFE Magazine on April 8, 2015, the Company was assigned the existing office lease of the former owner. The lease security deposit of $1,558 paid by the former owner was transferred to the Company, along with all of the terms and obligations of the previous office lease.

On April 1, 2019, the lease was renewed for a three (3) year term expiring on March 31, 2022. Monthly rent payments of $1,600 (including CAM charges) are required through March 31, 2022. The Company was month to month for the month of April 2022. Rent expense was $8,862 for 2022. This lease was cancelled on April 30, 2022 and the full security deposit was received. At the time of transition to the new lease standard ASC 842 on January 1, 2022, this lease had only three months remaining and therefore was not subject to the requirements of ASC 842.

Note D - Intercompany Payable - KLP

KLP Enterprises, LLC is a related Franchisee entity that is owned by the members of the Company. During 2023, KLP paid rent lease payments of $16,280 (which includes January 2024 prepaid rent) and professional fees of $6,817 for the Company. In addition, KLP also transferred funds of $33,500 to the Company during 2023 to assist in paying operating expenses.

During 2022, KLP paid rent lease payments of $19,471 (which included January 2023 prepaid rent), the 2022/2023 liability insurance premium of $1,555 and professional fees of $2,000. In addition, KLP also transferred funds of $10,000 to the Company during 2022 to assist in paying operating expenses.

All transferred funds are considered short-term, non-interest bearing loans that are expected to be repaid back to KLP when cash flows allow. The total funds owed to KLP as of December 31, 2023 and 2022 were $424,373 and $367,775, respectively.

Note E - Subsequent Events

Management has evaluated subsequent events through February 23, 2024, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

Note F - Operating Lease (Under ASC 842)

The Company entered into an office lease agreement that qualifies as an operating lease under the new lease standard ASC 842. The lease has an initial term of three (3) years with a commencement date of May 1, 2022 and an expiration date of April 30, 2025. The lease has a one (1) year renewal option, which can be exercised by giving written notice to the lessor not less than ninety (90) days prior to the expiration of the initial term. The monthly lease payment is $1,357 throughout the initial lease term. The lease payment during the renewal year would be $1,357 plus an adjustment based on the Consumer Price Index (CPI).

The present value of the lease is $60,085 at the May 1, 2022 commencement date and a right-of-use lease asset and lease liability have been recorded accordingly. The present value calculation utilized the following considerations:

1) A lease term of four (4) years, which included the one year renewal option as the Company concluded that it is reasonably certain that the renewal option will be exercised.

2) An incremental borrowing rate of 4% that is based on an evaluation of the applicable federal rates for May, 2022.

3) No initial direct costs were incurred to obtain the operating lease.

4) The monthly lease payment is a fixed payment throughout the four year lease term.

The total lease cost for this lease over the four year term is $65,120, which includes the combined amortization amount of $60,085 plus the imputed interest of $5,035. The lease amortization schedule for the lease liability maturities over the four year lease term based on the straight-line method is the following:

Year Ending December 31,

2022 amortization	$ 9,360	Remaining lease liability	$ 50,725
2023 amortization	14,515	Remaining lease liability	36,210
2024 amortization	15,106	Remaining lease liability	21,104
2025 amortization	15,722	Remaining lease liability	5,382
2026 amortization	5,382	Remaining lease liability	0
	$ 60,085		

Note G - Tax Positions

ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes,* prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For 2023, the Company has no material uncertain tax positions to be accounted for in the financial statements under these rules. The Company is required to file a Form 1065 Partnership tax return annually. The returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the returns for the 2020, 2021 and 2022 years remain open and potentially subject to IRS examination. Any assessments by taxing authorities could result in potential penalties and interest being assessed.

Note H - Going Concern Considerations and COVID-19 Pandemic Impact

Considerations and Financial Impact

The Company's operations have been significantly impacted by the COVID-19 pandemic since 2020. As such, substantial doubt exists about the Company's ability to continue as a going concern. Royalties and creation fees revenues have decreased by approximately 61% since 2019. Also, the Company has had significant collection issues of its outstanding accounts receivable during this time period. Bad debt write-offs have totaled $109,253 since 2019. As a result of significant operating losses in 2023, 2022, 2021 and 2020, the Company's members equity balance has decreased by $319,463 since 2019.

Management's Evaluation and Plans

The Company's advertisers were either completely closed or at very limited capacity since March of 2020 (the initial stages of the COVID-19 pandemic). Nearly four years later, as of the audit report date, the Company's franchisees and advertisers are beginning to see growth and an increase in revenue. However, the recovery process is taking longer than originally anticipated. COVID was not something we could have predicted to continue throughout another year. The Company is gaining new advertisers and regaining previous advertisers that could not pay to advertise during the two-year pandemic time period. The Company's distribution model had to adapt because its magazines could no longer be brought to hospitals or doctors' offices. The magazine distribution switched to local grocery stores and pharmacies.

The Company's Central Valley franchise transferred ownership in December 2021. The new franchisees have surpassed the previous franchisees in total revenue per month in their first two years of operations. This positive change has already helped the Company generate more revenue on a monthly basis for royalties. The New York franchise has suffered the most but is beginning to rebuild. Management foresees a gradual revenue increase.

CHRISTOPHER J. CLAIR, CPA, P.A.

HERLIFE MAGAZINE, LLC

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

December 31, 2022 and 2021

6409 GLADSTONE DRIVE SHAWNEE, KS 66218 PHONE: 913-631-0336 FAX: 913-631-0775 cjccpa@kc.rr.com

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS:	
Balance Sheets	4 - 5
Statements of Operations	6
Statements of Members Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 15

CHRISTOPHER J. CLAIR, CPA, P.A.

INDEPENDENT AUDITORS' REPORT
February 27, 2023

To the Members
HERLIFE Magazine, LLC

Opinion

We have audited the accompanying financial statements of HERLIFE Magazine, LLC (a Kansas limited liability company), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, members equity and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note I to the financial statements, the Company has suffered significant reductions in royalty and creation fees revenue, has incurred significant bad debt write offs, has a significant net deficiency in members equity, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note I. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

6409 GLADSTONE DRIVE SHAWNEE, KS 66218 PHONE: 913-631-0336 FAX: 913-631-0775 cjccpa@kc.rr.com

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

a) Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Christopher J. Clair, CPA, P.A.
Shawnee, KS

HERLIFE Magazine, LLC
Balance Sheets
December 31, 2022 and 2021

ASSETS

Current Assets:	**2022**	**2021**
Cash - operations	$ 1,122	$ 45,027
Accounts receivable	4,841	---
Franchise fee receivable	---	7,000
Prepaid insurance	1,555	3,100
Prepaid rent	1,357	1,600
Total Current Assets	8,875	56,727
Property and Equipment:		
Right-of-use lease asset - operating lease	60,085	---
Less: accumulated amortization	9,360	---
Total Right-of-Use Lease Asset	50,725	---
Other Assets:		
Rent security deposit	---	1,558
Total Assets	**$ 59,600**	**$ 58,285**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Balance Sheets
December 31, 2022 and 2021

LIABILITIES AND MEMBERS EQUITY

Current Liabilities:	**2022**	**2021**
Accounts payable	$ 3,800	$ 3,501
Intercompany payable - KLP	367,775	334,749
Accrued wages and payroll taxes	985	1,861
Operating lease liability - current portion	14,515	---
Total Current Liabilities	387,075	340,111
Long-term Liabilities:		
Operating lease liability - non-current portion	36,210	---
Total Liabilities	423,285	340,111
Members Equity (Deficit)	**(363,685)**	**(281,826)**
Total Liabilities and Members Equity	**$ 59,600**	**$ 58,285**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Operations
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Royalties and creation fees	$ 59,119	$ 50,344
Franchise transfer fee	---	5,000
PPP loan forgiveness	---	37,524
Total Revenues	**59,119**	**92,868**
Operating Expenses:		
Office rent - expired lease	8,862	19,200
Lease expense - new operating lease	10,853	---
Writer professional fees	24,305	24,335
Wages and salaries - employees	81,624	87,120
Payroll taxes	6,534	7,140
Bank service charges/fees	---	15
Insurance	3,100	2,470
Licenses and fees	600	600
Legal and accounting fees	5,100	6,222
Bad debt expense	---	55,652
Total Expenses	**140,978**	**202,754**
Net Loss	**$ (81,859)**	**$ (109,886)**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Members Equity
Years Ended December 31, 2022 and 2021

Members Equity (Deficit), December 31, 2020	$ (171,940)
Net loss for 2021	(109,886)
Member contributions	---
Member distributions	---
Members Equity (Deficit), December 31, 2021	**(281,826)**
Net loss for 2022	(81,859)
Member contributions	---
Member distributions	---
Members Equity (Deficit), December 31, 2022	**$ (363,685)**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

Cash flows from operating activities:	**2022**	**2021**
Net loss	$ (81,859)	$ (109,886)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of right-of-use lease asset - operating lease	9,360	---
Bad debt expense	---	55,652
PPP loan forgiveness revenue	---	(37,524)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(4,841)	35,311
Decrease in franchise fee receivable	7,000	4,000
Decrease (increase) in prepaid insurance	1,545	(3,100)
Decrease in prepaid rent	243	---
Decrease in rent security deposit	1,558	---
Increase (decrease) in accrued wages and payroll taxes	(876)	242
Decrease in operating lease liability	(9,360)	---
Increase in accounts payable	299	601
Increase in intercompany payable - KLP	33,026	54,400
Net cash used in operating activities	(43,905)	(304)
Cash flows from financing activities:		
PPP loan funds received	---	19,124
Net cash provided by financing activities	---	19,124
Net increase (decrease) in cash	**(43,905)**	**18,820**
Cash, beginning of year	**45,027**	**26,207**
Cash, end of year	**$ 1,122**	**$ 45,027**
Supplemental Disclosures - Non-Cash Financing Activities		
Right-of-use operating lease asset obtained in exchange for lease obligation	$ 60,085	$ ---
Reduction of PPP loans due to forgiveness	$ ---	$ (37,524)

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Notes to Financial Statements
December 31, 2022 and 2021

Note A - Nature of Operations

HERLIFE Magazine, LLC (the "Company") was organized and formed on March 31, 2015 in the State of Kansas as a limited liability company. The Company operates as a franchisor for HERLIFE Magazine and offers franchising opportunities for women's magazine publication in designated local markets throughout the country. The Company conducts its principal business activities in Overland Park, Kansas. HERLIFE Magazine is currently licensed in all fifty states.

The Company and the franchisee operate under the terms of a Franchise Agreement. The franchisee is required to pay the franchisor an initial franchise fee of $35,000. The Company, as franchisor, also receives monthly royalty fees and creation/production fees from the franchisee, primarily based on publication advertising sales. Any transfer or assignment of a franchise between two franchisees is subject to paying the Company (franchisor) a transfer fee of $5,000.

On April 8, 2015, HERLIFE Magazine was purchased by the Company through an executed Asset Purchase Agreement with the former owner. The purchased assets and related financing are being reported on the books of the Company's related Franchisee entity, KLP Enterprises, LLC. The Franchise Disclosure Document (FDD) that HERLIFE Magazine operated under was transferred and assigned to the Company upon the purchase. The FDD was revised and reissued on March 10, 2016. The Company commenced operations on April 24, 2015.

Note B - Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Cash - Operations

The Company holds operating cash in a checking account at Central Bank.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Note B - Summary of Significant Accounting Policies (Continued)

Accounts Receivable - Operations

Accounts receivable at December 31, 2022 is due from a franchisee for royalty fees and creation/production fees earned by the Company. This receivable was collected in full in January, 2023.

The Company typically uses the reserve method in accounting for bad debts. Under this method, all potential uncollectible accounts are charged to the allowance account to a reserve considered reasonable by management. No allowance for doubtful accounts was necessary as of December 31, 2022.

Due to the impact of the COVID-19 pandemic (see Note I), the franchisees operations are struggling to perform to their normal business expectations. Therefore, the Company's management directly wrote off all remaining accounts receivable as of December 31, 2021. The write off resulted in bad debt expense of $55,652 for 2021.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents would include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Franchise Fee Receivable and Payment Agreement

The Company entered into a franchise disclosure agreement with a new franchisee (Columbia) in July, 2019. The franchise fee payment agreement provides for $10,000 to be paid up front and the remaining fee of $25,000 to be paid at a rate of $1,000 per month for 25 months, beginning in October, 2019 and ending in October, 2021. Franchise fees of $7,000 were owed the Company as of December 31, 2021. These fees were received in full during 2022.

Revenue Recognition

The Company recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606). The terms of the current Franchise Disclosure Document (FDD) require franchisees to pay the Company an initial franchise fee in exchange for the Company's assistance in training, manuals, systems and a designated territory to operate in. The FDD requires a new franchisee company to open their business, begin operations and produce their first issue of HERLIFE Magazine for their designated territory no later than 90 days after signing the Franchise Agreement.

Note B - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Under ASC 606, the franchisor must determine if the pre-opening activities contain any distinct goods or services, known as performance obligations, and then allocate the initial franchise fees to those performance obligations using the stand-alone selling price of the goods or services. Using this method, typically all of the performance obligations are usually met for a new franchisee upon obtaining the initial franchise fee due to the franchisee typically completing its training and commencing operations within the required time period mentioned above. Therefore, the initial franchise fee would be earned and recognized and the performance obligation is considered satisfied at that point in time.

In addition, franchisees are required to pay a royalty fee equal to seven percent (7%) of gross advertising sales from the publication and a production fee of $50 per page in the publication in accordance with the terms outlined in the FDD. In accordance with ASC 606, these fees are recognized when the publication is produced and distributed and the performance obligation is considered satisfied at that point in time.

Accounting for Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The effective date for this standard experienced delays and extensions. The effective date ended up being January 1, 2022. Under this standard, a lessee is required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for similar to the previous guidance under ASC 840 and are exempted under the new standard ASC 842. Leases are classified as either a finance lease or an operating lease. Finance leases (which replaces the term "capital lease" under previous guidance) typically involve autos and equipment and operating leases typically involve property. In order to be classified as a finance lease the lease must meet one of the five specific criteria requirements as stated in the standard. Otherwise, the lease is considered to be an operating lease.

The right-of-use asset and the lease liability are measured and recorded at present value of payments over the lease term at the lease commencement date. The present value calculation utilizes a discounted interest rate which typically considers the applicable federal rate or the Company's incremental borrowing rate as defined. Lease renewal options must be considered in the lease term utilized for the calculation. If the lessee concludes that it is reasonably certain that it will exercise the renewal option, then the renewal term will be added to the original lease term and the present value calculation will utilize this extended lease term. Total lease cost (consisting of combined amortization and interest) is included in the income statement as lease expense and the amortized cost, which reduces the asset and liability, utilizes the straight-line method over the determined lease term.

Note B - Summary of Significant Accounting Policies (Continued)

Accounting for Leases (Continued)
The Company is utilizing the effective date method for transition, which accounts for leases under ASC 842 beginning January 1, 2022 without adjusting prior years. The prior year financial statements presented are accounting for leases under the previous guidance for ASC 840.

Income Taxes
No income tax provision has been included in the financial statements since the Company is classified as a partnership for tax reporting purposes. Income or loss of the Company is required to be reported by the respective members on their income tax returns in accordance with their ownership interests.

Note C - Lease Commitments (Prior guidance under ASC 840)

Upon the purchase of HERLIFE Magazine on April 8, 2015, the Company was assigned the existing office lease of the former owner. The lease security deposit of $1,558 paid by the former owner was transferred to the Company, along with all of the terms and obligations of the previous office lease.

On April 1, 2019, the lease was renewed for a three (3) year term expiring on March 31, 2022. Monthly rent payments of $1,600 (including CAM charges) are required through March 31, 2022. The Company was month to month for the month of April 2022. Rent expense was $8,862 and $19,200 for 2022 and 2021, respectively. This lease was cancelled on April 30, 2022 and the full security deposit was received. At the time of transition to the new lease standard ASC 842 on January 1, 2022, this lease had only three months remaining and therefore was not subject to the requirements of ASC 842.

Note D - Intercompany Payable - KLP

KLP Enterprises, LLC is a related Franchisee entity that is owned by the members of the Company. KLP paid rent lease payments of $19,471 (which includes January 2023 prepaid rent), the 2022/2023 liability insurance premium of $1,555 and accrued professional fees of $2,000 for the Company for 2022. In addition, KLP also transferred funds of $10,000 to the Company during 2022 to assist in paying operating expenses.

KLP paid rent lease payments of $12,800 and the 2021/2022 liability insurance premium of $3,100 for the Company during 2021. In addition, KLP also transferred funds of $38,500 to the Company during 2021 to assist in paying operating expenses. All of the transferred funds are considered short-term, non-interest bearing loans that are expected to be repaid back to KLP when cash flows allow. The total funds owed to KLP as of December 31, 2022 and 2021 were $367,775 and $334,749, respectively.

Note E - PPP Loan Funds and Other Commitments

As a result of the COVID-19 pandemic the Company received Paycheck Protection Program (PPP) loans totaling $37,524. The loans are subject to the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and are administered by the Small Business Administration (SBA). The loans were forgiven by the SBA in 2021 and were included in 2021 revenues.

The Company must retain its respective employment and other records related to these loan expenditures for the 4-year period subsequent to the loan forgiveness dates.

Also, the Company must retain its respective employment and other records related to the grant received from the Kansas Department of Commerce in 2020. The grant expenditure documentation must be retained for a 5-year period subsequent to the final required reporting date.

Note F - Subsequent Events

Management has evaluated subsequent events through February 27, 2023, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

Note G - Tax Positions

ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes,* prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For 2022, the Company has no material uncertain tax positions to be accounted for in the financial statements under these rules. The Company is required to file a Form 1065 Partnership tax return annually. The returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the returns for the 2019, 2020 and 2021 years remain open and potentially subject to IRS examination. Any assessments by taxing authorities could result in potential penalties and interest being assessed.

Note H - Operating Lease (Under ASC 842)

The Company entered into an office lease agreement that qualifies as an operating lease under the new lease standard ASC 842. The lease has an initial term of three (3) years with a commencement date of May 1, 2022 and an expiration date of April 30, 2025. The lease has a one (1) year renewal option, which can be exercised by giving written notice to the lessor not less than ninety (90) days prior to the expiration of the initial term. The monthly lease payment is $1,357 throughout the initial lease term. The lease payment during the renewal year would be $1,357 plus an adjustment based on the Consumer Price Index (CPI).

The present value of the lease is $60,085 at the May 1, 2022 commencement date and a right-of-use lease asset and lease liability have been recorded accordingly. The present value calculation utilized the following considerations:

1) A lease term of four (4) years, which included the one year renewal option as the Company concluded that it is reasonably certain that the renewal option will be exercised.

2) An incremental borrowing rate of 4% that is based on an evaluation of the applicable federal rates for May, 2022.

3) No initial direct costs were incurred to obtain the operating lease.

4) The monthly lease payment is a fixed payment throughout the four year lease term.

The total lease cost for this lease over the four year term is $65,120, which includes the combined amortization amount of $60,085 plus the imputed interest of $5,035. The lease amortization schedule for the lease liability maturities over the four year lease term based on the straight-line method is the following:

Year Ending December 31,

2022 amortization	$ 9,360	Remaining lease liability	$ 50,725
2023 amortization	14,515	Remaining lease liability	36,210
2024 amortization	15,106	Remaining lease liability	21,104
2025 amortization	15,722	Remaining lease liability	5,382
2026 amortization	5,382	Remaining lease liability	0
	$ 60,085		

Note I - Going Concern Considerations and COVID-19 Pandemic Impact

Considerations and Financial Impact

The Company's operations have been significantly impacted by the COVID-19 pandemic since 2020. As such, substantial doubt exists about the Company's ability to continue as a going concern. Royalties and creation fees revenues have decreased by approximately 58% since 2019. Also, the Company has had significant collection issues of its outstanding accounts receivable in the two previous years. Bad debt write-offs have totaled $105,652 since 2019. As a result of significant operating losses in 2022, 2021 and 2020, the Company's members equity balance has decreased by $264,988 since 2019.

Management's Evaluation and Plans

The Company's advertisers were either completely closed or at very limited capacity since March of 2020 (the initial stages of the COVID-19 pandemic). Nearly three years later, as of the audit report date, the Company's franchisees and advertisers are beginning to see growth and an increase in revenue. However, the recovery process is taking longer than originally anticipated. COVID was not something we could have predicted to continue throughout another year. The Company is gaining new advertisers and regaining previous advertisers that could not pay to advertise during the two-year pandemic time period. The Company's distribution model had to adapt because its magazines could no longer be brought to hospitals or doctors' offices. The magazine distribution switched to local grocery stores and pharmacies.

The Company's Central Valley franchise transferred ownership in December, 2021. The new franchisees have surpassed the previous franchisees in total revenue per month in their first year of operations. This positive change has already helped the Company generate more revenue on a monthly basis for royalties. The New York franchise has suffered the most but is beginning to rebuild. Management foresees a gradual revenue increase.

CHRISTOPHER J. CLAIR, CPA, P.A.

HERLIFE MAGAZINE, LLC

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

December 31, 2021 and 2020

6409 GLADSTONE DRIVE SHAWNEE, KS 66218 PHONE: 913-631-0336 FAX: 913-631-0775 cjccpa@kc.rr.com

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS:	
Balance Sheets	4 - 5
Statements of Operations	6
Statements of Members Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14

CHRISTOPHER J. CLAIR, CPA, P.A.

INDEPENDENT AUDITORS' REPORT
February 24, 2022

To the Members
HERLIFE Magazine, LLC

Opinion

We have audited the accompanying financial statements of HERLIFE Magazine, LLC (a Kansas limited liability company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, members equity and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note I to the financial statements, the Company has suffered significant reductions in royalty and creation fees revenue, has incurred significant bad debt write offs, has a significant net deficiency in members equity, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note I. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

6409 GLADSTONE DRIVE SHAWNEE, KS 66218 PHONE: 913-631-0336 FAX: 913-631-0775 cjccpa@kc.rr.com

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

a) Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Christopher J. Clair, CPA, P.A.
Shawnee, KS

HERLIFE Magazine, LLC
Balance Sheets
December 31, 2021 and 2020

ASSETS

Current Assets:	**2021**	**2020**
Cash - operations	$ 45,027	$ 26,207
Accounts receivable, less allowance for doubtful accounts of $0 and $50,000	---	90,963
Franchise fee receivable	7,000	11,000
Prepaid insurance	3,100	---
Prepaid rent	1,600	1,600
Total Current Assets	56,727	129,770
Other Assets:		
Rent security deposit	1,558	1,558
Total Assets	**$ 58,285**	**$ 131,328**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Balance Sheets
December 31, 2021 and 2020

LIABILITIES AND MEMBERS EQUITY

Current Liabilities:	**2021**	**2020**
Accounts payable	$ 3,501	$ 2,900
Intercompany payable - KLP	334,749	280,349
Accrued wages and payroll taxes	1,861	1,619
PPP loan funds payable	---	18,400
Total Current Liabilities	340,111	303,268
Members Equity (Deficit)	(281,826)	(171,940)
Total Liabilities and Members Equity	$ 58,285	$ 131,328

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Operations
Years Ended December 31, 2021 and 2020

Revenues:	**2021**	**2020**
Royalties and creation fees	$ 50,344	$ 99,029
Franchise renewal fee	---	500
Franchise transfer fee	5,000	---
PPP loan forgiveness	37,524	---
Grant revenues - COVID	---	30,000
Total Revenues	**92,868**	**129,529**
Operating Expenses:		
Office rent	19,200	19,200
Writer professional fees	24,335	29,345
Wages and salaries - employees	87,120	90,094
Payroll taxes	7,140	7,471
Office expense	---	240
Bank service charges/fees	15	65
Insurance	2,470	1,987
Licenses and fees	600	---
Legal and accounting fees	6,222	4,370
Bad debt expense	55,652	50,000
Total Expenses	**202,754**	**202,772**
Net Loss	**$ (109,886)**	**$ (73,243)**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Members Equity
Years Ended December 31, 2021 and 2020

Members Equity (Deficit), December 31, 2019	$ (98,697)
Net loss for 2020	(73,243)
Member contributions	---
Member distributions	---
Members Equity (Deficit), December 31, 2020	**(171,940)**
Net loss for 2021	(109,886)
Member contributions	---
Member distributions	---
Members Equity (Deficit), December 31, 2021	**$ (281,826)**

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

Cash flows from operating activities:	**2021**	**2020**
Net loss	$ (109,886)	$ (73,243)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Bad debt expense	55,652	50,000
PPP loan forgiveness revenue	(37,524)	---
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	35,311	(20,279)
Decrease in franchise fee receivable	4,000	12,000
Increase in prepaid insurance	(3,100)	---
Increase in prepaid rent	---	(42)
Increase (decrease) in accrued wages and payroll taxes	242	(2,041)
Increase (decrease) in accounts payable	601	(1,300)
Increase in intercompany payable - KLP	54,400	37,543
Net cash provided by (used in) operating activities	(304)	2,638
Cash flows from financing activities:		
PPP loan funds received	19,124	18,400
Net cash provided by financing activities	19,124	18,400
Net increase in cash	**18,820**	**21,038**
Cash, beginning of year	**26,207**	**5,169**
Cash, end of year	**$ 45,027**	**$ 26,207**
Supplemental Disclosures - Non-Cash Financing Activities		
Reduction of PPP loans due to forgiveness	$ (37,524)	$ ---

(See Independent Auditors' Report and Accompanying Notes)

HERLIFE Magazine, LLC
Notes to Financial Statements
December 31, 2021 and 2020

Note A - Nature of Operations

HERLIFE Magazine, LLC (the "Company") was organized and formed on March 31, 2015 in the State of Kansas as a limited liability company. The Company operates as a franchisor for HERLIFE Magazine and offers franchising opportunities for women's magazine publication in designated local markets throughout the country. The Company conducts its principal business activities in Overland Park, Kansas. HERLIFE Magazine is currently licensed in all fifty states.

The Company and the franchisee operate under the terms of a Franchise Agreement. The franchisee is required to pay the franchisor an initial franchise fee of $35,000. The Company, as franchisor, also receives monthly royalty fees and creation/production fees from the franchisee, primarily based on publication advertising sales. Any transfer or assignment of a franchise between two franchisees is subject to paying the Company (franchisor) a transfer fee of $5,000.

On April 8, 2015, HERLIFE Magazine was purchased by the Company through an executed Asset Purchase Agreement with the former owner. The purchased assets and related financing are being reported on the books of the Company's related Franchisee entity, KLP Enterprises, LLC. The Franchise Disclosure Document (FDD) that HERLIFE Magazine operated under was transferred and assigned to the Company upon the purchase. The FDD was revised and reissued on March 10, 2016. The Company commenced operations on April 24, 2015.

Note B - Summary of Significant Accounting Policies

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Cash - Operations

The Company holds operating cash in a checking account at Central Bank.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Note B - Summary of Significant Accounting Policies (Continued)

Accounts Receivable - Operations

All accounts receivable at December 31, 2021 and 2020 are due from the various franchisees for royalty fees and creation/production fees earned by the Company. The Company uses the reserve method in accounting for bad debts. Under this method, all potential uncollectible accounts are charged to the allowance account to a reserve considered reasonable by management. An allowance for doubtful accounts of $50,000 was recorded as of December 31, 2020. Due to the impact of the COVID-19 pandemic (see Note I), the franchisees operations are struggling to perform to their normal business expectations. Therefore, the Company's management has directly written off all remaining accounts receivable to bad debt expense, as well as eliminating the $50,000 allowance for doubtful accounts as of December 31, 2021 due to the likelihood that these receivables will not be collected.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents would include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Franchise Fee Receivable and Payment Agreement

The Company entered into a franchise disclosure agreement with a new franchisee (Columbia) in July, 2019. The franchise fee payment agreement provides for $10,000 to be paid up front and the remaining fee of $25,000 to be paid at a rate of $1,000 per month for 25 months, beginning in October, 2019 and ending in October, 2021. Franchise fees of $7,000 and $11,000 were owed the Company as of December 31, 2021 and 2020, respectively. The impact of the pandemic has also caused delays in the receipt of these franchise fees. Management expects to receive the outstanding fees in 2022.

Revenue Recognition

The Company recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606). The terms of the current Franchise Disclosure Document (FDD) require franchisees to pay the Company an initial franchise fee in exchange for the Company's assistance in training, manuals, systems and a designated territory to operate in. The FDD requires a new franchisee company to open their business, begin operations and produce their first issue of HERLIFE Magazine for their designated territory no later than 90 days after signing the Franchise Agreement.

Note B - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Under ASC 606, the franchisor must determine if the pre-opening activities contain any distinct goods or services, known as performance obligations, and then allocate the initial franchise fees to those performance obligations using the stand-alone selling price of the goods or services. Using this method, typically all of the performance obligations are usually met for a new franchisee upon obtaining the initial franchise fee due to the franchisee typically completing its training and commencing operations within the required time period mentioned above. Therefore, the initial franchise fee would be earned and recognized and the performance obligation is considered satisfied at that point in time.

In addition, franchisees are required to pay a royalty fee equal to seven percent (7%) of gross advertising sales from the publication and a production fee of $50 per page in the publication in accordance with the terms outlined in the FDD. In accordance with ASC 606, these fees are recognized when the publication is produced and distributed and the performance obligation is considered satisfied at that point in time.

Income Taxes

No income tax provision has been included in the financial statements since the Company is classified as a partnership for tax reporting purposes. Income or loss of the Company is required to be reported by the respective members on their income tax returns in accordance with their ownership interests.

Note C - Lease Commitments

Upon the purchase of HERLIFE Magazine on April 8, 2015, the Company was assigned the existing office lease of the former owner. The lease security deposit of $1,558 paid by the former owner was transferred to the Company, along with all of the terms and obligations of the previous office lease.

On April 1, 2019, the lease was renewed (effective date of November 1, 2019) for a three (3) year term expiring on October 31, 2022. Monthly rent payments of $1,600 ($1,192 base rate) are required through October 31, 2022, subject to an annual adjustment for the taxes, insurance and maintenance portion of the rent payment. This portion of the rent payment starts at $408 per month. Rent expense was $19,200 for both 2021 and 2020. This lease has an option to renew for five (5) additional years. Future minimum lease payments required for the lease are as follows: $16,000 for 2022.

Note C - Lease Commitments (Continued)

The related Franchisee entity, KLP Enterprises, LLC, paid eight of the rent payments ($12,800) required for 2021 for the Company, which included prepaying the January, 2022 rent payment in December, 2021. KLP paid five of the rent payments ($8,000) required for 2020 for the Company.

Note D - Intercompany Payable - KLP

KLP Enterprises, LLC is a related Franchisee entity that is owned by the members of the Company. KLP paid rent lease payments of $12,800 (see Note C) and the 2021/2022 liability insurance premium of $3,100 for the Company during 2021. In addition, KLP also transferred funds of $38,500 to the Company during 2021 to assist in paying operating expenses.

KLP paid rent lease payments of $8,000 (see Note C), $1,500 of professional fees and liability insurance premium of $2,343 for the Company during 2020. In addition, KLP also transferred funds of $25,700 to the Company during 2020 to assist in paying operating expenses.

All of the transferred funds noted above are considered short-term, non-interest bearing loans that are expected to be repaid back to KLP when cash flows allow.

The total funds owed to KLP as of December 31, 2021 and 2020 were $334,749 and $280,349, respectively.

Note E - PPP Loan Funds

As a result of the COVID-19 pandemic, on April 14, 2020, the Company received a Paycheck Protection Program (PPP) loan in the amount of $18,400. The loan is subject to the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and is administered by the Small Business Administration (SBA). The loan was forgiven by the SBA on January 22, 2021.

On February 11, 2021, the Company received additional PPP loan funds in the amount of $19,124. This loan was forgiven by the SBA on June 29, 2021.

The Company must retain its respective employment and other records related to these loan expenditures for the 4-year period subsequent to the loan forgiveness dates.

The loan forgiveness, totaling $37,524, is included in 2021 revenues. This loan forgiveness revenue is considered tax-exempt income for tax return reporting purposes.

Note F - Grant Revenues - COVID

As a result of the COVID-19 pandemic, on September 17, 2020, the Company was awarded a Coronavirus Relief Fund Grant from the Kansas Department of Commerce in the amount of $20,000. Allowable expenditures for the grant funds are limited to those expenditures which are consistent with the CARES Act. The Company has certain reporting requirements to the Commerce to validate the utilization of the grant funds. If all stated requirements are met, as outlined in the grant agreement, then these grant funds will not be required to be paid back. As such, these grant funds were recorded as revenue for 2020. The Company must retain its respective employment and other records related to the grant expenditures for a 5-year period subsequent to the final required reporting date.

The Company also received a grant from the Johnson County CARES Small Business Grant Program in December, 2020 in the amount of $10,000. This one-time grant was utilized to help offset business expenses and/or revenue loss incurred due to COVID-19. These grant funds are not required to be paid back. As such, the grant funds were recorded as revenue for 2020.

Note G - Subsequent Events

Management has evaluated subsequent events through February 24, 2022, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

Note H - Tax Positions

ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes,* prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For 2021, the Company has no material uncertain tax positions to be accounted for in the financial statements under these rules. The Company is required to file a Form 1065 Partnership tax return annually. The returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2021, the returns for the 2018, 2019 and 2020 years remain open and potentially subject to IRS examination. Any assessments by taxing authorities could result in potential penalties and interest being assessed.

Note I - Going Concern Considerations and COVID-19 Pandemic Impact

Considerations and Financial Impact

The Company's operations have been significantly impacted by the COVID-19 pandemic during 2021 and 2020. As such, substantial doubt exists about the Company's ability to continue as a going concern. Royalties and creation fees revenues have decreased by approximately 64% since 2019. Also, the Company has had significant collection issues of its outstanding accounts receivable in both 2021 and 2020. Bad debt write offs have totaled $105,652 since 2019. As a result of significant operating losses in 2021 and 2020, the Company's members equity balance has decreased by $183,129 since 2019.

Management's Evaluation and Plans

The Company's advertisers were either completely closed or at very limited capacity since March of 2020 (the initial stages of the COVID-19 pandemic). Nearly two years later, as of the audit report date, the Company's franchisees and advertisers are finally beginning to see growth and an increase in revenue. However, the recovery process is taking longer than originally anticipated. The Company is finally gaining new advertisers and regaining previous advertisers that could not pay to advertise during the two year pandemic time period. The Company's distribution model had to adapt because its magazines could no longer be brought to hospitals or doctors offices. The magazine distribution switched to local grocery stores and pharmacies.

The Company's Central Valley franchise transferred ownership in December, 2021. The new franchisees have surpassed the previous franchisees in total revenue for their first month of operations. This positive change has already helped the Company generate more revenue on a monthly basis for royalties. The New York franchise has suffered the most but is beginning to rebuild. Management foresees gradual revenue increases on a monthly basis in the upcoming months for the 2022 year.

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

[Not to be used as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MN, NY, ND, RI, SD, VA, WA, WI]

You and we are preparing to enter into a Franchise Agreement. This Acknowledgement is to determine whether any statements or promises were made to you that we did not authorize or are untrue, inaccurate or misleading, to ensure you have been properly represented, and that you understand the limitations on claims you may make relating to your franchise. **You cannot sign or date this Acknowledgement the same day as the Receipt for the Franchise Disclosure Document. You must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses. If you answer "Yes" to any of the questions below, please explain your answer on the back of this sheet.

Yes__ No__ l. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?

Yes__ No__ 2. Do you understand all the information contained in the Franchise Agreement?

Yes__ No__ 3. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes__ No__ 4. Do you understand all the information contained in the Franchise Disclosure Document?

Yes__ No__ 5. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?

Yes__ No__ 6. Do you understand the risks of developing and operating this franchise?

Yes__ No__ 7. Do you understand that your investment involves substantial business risks and that there is no guarantee that your business will be profitable?

Yes__ No__ 8. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, the economy, labor and supply costs and other relevant factors?

Yes__ No__ 9. Do you acknowledge that the success of your franchise in large part relies upon your ability as an independent business person and your active participation in the day to day operation of the business?

Yes__ No__ 10. Do you agree that no employee or other person speaking on our behalf has made any statement, promise, or agreement, that is contrary to or different from what is stated in the Franchise Disclosure Document and Franchise Agreement?

Yes__ No__ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue you will generate, that is not contained in Item 19 of the Franchise Disclosure Document or that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document, and that you have not made a decision to purchase your franchise based on any such representations?

Yes__ No__ 12. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning this franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

SPECIAL NOTE FOR RESIDENTS OF THE STATE OF MARYLAND AND FRANCHISED BUSINESSES LOCATED IN MARYLAND: Nothing in this Franchisee Disclosure Acknowledgement document will act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

[Not to be signed as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MN, NY, ND, RI, SD, VA, WA, WI]

_____	_____
Franchise Applicant	Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated _____	Dated _____

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:

EXHIBIT H TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

HERLIFE MAGAZINE

Title		Pages
1)	WELCOME TO HER LIFE MAGAZINE	15
2)	CREATION OF MAGAZINE	18
3)	DELIVERY OF MAGAZINE	9
4)	OFFICE ADMINISTRATION	9
5)	ADVERTISING & SALES	26
6)	PROMOTION	14
7)	FINANCIAL RESPONSIBILITY	4
8)	STAFF	3
9)	FORMS	13
10)	PREFERRED VENDORS	1
11)	TERMS	2

EXHIBIT I TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20___ by and between HERLIFE Magazine, LLC, a Kansas limited liability company having its principal place of business located at 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085 (the "Franchisor"), and _____, a _____ with a principal address at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. The following consideration is given:

   _____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

   _____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

   _____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

   _____ [insert description]

2. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.

3. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

4. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

   > A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

5. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act,

and the Washington Franchise Investment Protection Act.

6. Releasor agrees to comply with all of its applicable post-termination or post-transfer obligations (as the case may be) in the Franchise Agreement described above.

7. Kansas law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties.

8. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Kansas.

9. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

_____

Name:_____

HERLIFE MAGAZINE, LLC:

By:_____
Name:_____
Title:_____

EXHIBIT J
STATE EFFECTIVE DATES

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

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

State	Effective Date
California	~~April 10, 2023~~Pending
New York	~~April 4, 2023~~Pending

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

RECEIPT

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

If HERLIFE Magazine, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchisor is HERLIFE Magazine, LLC, located at 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085. Its telephone number is (913) 254-3335.

Issuance date: ~~March 13,~~ February 26, 2024~~2023~~
The Franchise Seller for this offering is:

X Tammy Crystal McDonald, 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085; (913) 254-3335

HERLIFE Magazine, LLC authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document dated ~~March 13,~~ February 26, 2024~~2023~~ that included the following Exhibits:

A – State Agencies/Agents for Service of Process
B – State Specific Addendum
C – Franchise Agreement with Schedules
Schedules
1 – Territory
2 – Authorization Agreement for Electronic Funds Transfer
3 – Internet Websites and Listings Agreement; Telephone Listing Agreement
4 – Guaranty and Assumption of Obligations
5 – Confidentiality and Non-Competition Agreement
6 – State Addenda to the Franchise Agreement
7 – SBA Addendum
D – List of Franchisees
E – List of Franchisees Who Have Left the System
F – Financial Statements
G –Franchisee Disclosure Acknowledgment Statement
H – Table of Contents for Confidential Operations Manual
I – Form of General Release
J – State Effective Dates
K - Receipts

[Signature Page Follows]

Date:_____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

Please sign, date, and retain this copy for your records.

RECEIPT

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

If HERLIFE Magazine, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchisor is HERLIFE Magazine, LLC, located at 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085. Its telephone number is (913) 254-3335.

Issuance date: ~~March 13,~~ February 26, 2024~~2023~~
The Franchise Seller for this offering is:

X Tammy Crystal McDonald, 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085; (913) 254-3335

HERLIFE Magazine, LLC authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document dated ~~March 13, 2023~~February 26, 2024 that included the following Exhibits:

A – State Agencies/Agents for Service of Process
B – State Specific Addendum
C – Franchise Agreement with Schedules
Schedules
1 – Territory
2 – Authorization Agreement for Electronic Funds Transfer
3 – Internet Websites and Listings Agreement; Telephone Listing Agreement
4 – Guaranty and Assumption of Obligations
5 – Confidentiality and Non-Competition Agreement
6 – State Addenda to the Franchise Agreement
7 – SBA Addendum
D – List of Franchisees
E – List of Franchisees Who Have Left the System
F – Financial Statements
G – Franchisee Disclosure Acknowledgment Statement
H – Table of Contents for Confidential Operations Manual
I – Form of General Release
J – State Effective Dates
K - Receipts

[Signature Page Follows]

Date:_____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

You may return the signed receipt either by signing, dating, and mailing it to HERLIFE Magazine, LLC at 7500 W. 160th St. Ste. 102, Overland Park, Kansas 66085, or by faxing a copy of the signed and dated receipt to HERLIFE Magazine, LLC at (866) 827-6851.