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FRANCHISE DISCLOSURE DOCUMENT

Department of Business Oversight
MAY 13 2019
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San Francisco

Serendipity Labs Franchise International, LLC
a Delaware limited liability company
700 Canal Street
Stamford, Connecticut 06902
(855) 801-7757
~~brad~~**kpike**@serendipitylabs com
www serendipitylabs com

As a SERENDIPITY LABS® franchisee, you will operate a membership-only and hospitality-focused facility which offers members such as mobile workers, telecommuters, business travelers and project teams access to co-working, meeting and event accommodations and services, as well as reception, telecommunications, Internet, data transmission, videoconferencing and related business support products and services, under a range of access options (day passes, 5 days/month, 10 days/month, unlimited co-working access/month, etc)

The total investment necessary to begin operation of a SERENDIPITY LABS franchised business ranges from ~~$331,200 to $1,559,100 for a Standard Lab and from $443,200 to $2,228,300 for a Hub Lab This includes $61,200 to $140,400 for a Standard Lab, or $66,300 to $145,600 for a Hub Lab,~~**611,100 to $2,900,400. This includes $97,500 to $248,200** that must be paid to franchisor and its affiliates The total investment necessary to obtain development rights for Labs ranges from $60,000 to $180,000 (for 3 to 9 additional Labs), all of which must be paid to franchisor

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, franchisor or an affiliate in connection with the proposed franchise sale **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact ~~Brad LeBlanc at bleblanc@serendipitylabs com or 700 Canal~~**Kristen Pike Baldon, 700 Church** Street, ~~Stamford, Connecticut 06902, (855) 801-7757~~ **Unit 806, Nashville, Tennessee 37203, kpike@serendipitylabs.com, (404) 312-8860.**

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 be laws on franchising in your state Ask your state agencies about them

Issuance Date ~~March 20, 2018~~**April 26, 2019**

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit M for information about the franchisor, or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRES YOU TO ARBITRATE OR LITIGATE WITH US ONLY IN THE STATE IN WHICH OUR PRINCIPAL BUSINESS ADDRESS IS THEN LOCATED (CURRENTLY, CONNECTICUT) OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT ALSO MAY COST MORE TO ARBITRATE OR LITIGATE WITH US IN THE STATE IN WHICH OUR PRINCIPAL BUSINESS ADDRESS IS THEN LOCATED THAN IN YOUR OWN STATE

2 CONNECTICUT LAW GOVERNS THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU

4 UNDER THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, YOUR TERRITORY IS NOT EXCLUSIVE YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL

5 THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT CONTAIN PROVISIONS THAT LIMIT YOUR RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA, INCLUDING BUT NOT LIMITED TO, A TIME LIMIT TO RAISE CLAIMS AGAINST US, A LIMITATION OF DAMAGES AND A WAIVER OF JURY TRIAL

6 YOU MAY BE REQUIRED TO MAKE MINIMUM ROYALTY FEE PAYMENTS, REGARDLESS OF YOUR SALES LEVELS YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT

7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

California Effective Date ~~May 2, 2018~~ **[, 2019]**

FRANCHISE DISCLOSURE DOCUMENT

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Item 1

FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

For ease of reference in this disclosure document, the franchisor is referred to as "we," "us" or "our," and the person who is considering the franchise is referred to as "you" or "your " If you are a legal entity, certain provisions of the franchise agreement, development agreement and attachments apply to your shareholders, officers, directors, members and partners These provisions are noted

Franchisor

The franchisor is Serendipity Labs Franchise International, LLC, a Delaware limited liability company that was formed on April 1, 2012 We do business as Serendipity Labs Franchise International, LLC or Serendipity Labs We do not do business or intend to do business under any other name Our principal business address is 700 Canal Street, Stamford, Connecticut 06902, and our telephone number is (855) 801-7757 Our agent for service of process is disclosed in Exhibit M

Our Business

We offer franchises for SERENDIPITY LABS® businesses ("Labs") We also offer development rights that permit the development of stated numbers of Labs in designated geographic areas We have no other business activities

Our Experience

We have offered franchises since June 2012 ~~Since 2012, we have offered franchises for Standard Labs Since March 2014, we also have offered franchises for Hub Labs~~ We have not operated a business of the type being franchised However, see Our Parent, Predecessors and Affiliates below for information on the Labs operated by our affiliates We have not engaged in any other line of business and have not offered franchises in any other line of business

The Franchise

Before you acquire franchise rights, you generally must sign a letter of intent (attached as Exhibit A), and pay a refundable initial deposit To acquire franchise rights, you must sign a franchise agreement (attached as Exhibit B), and pay the initial franchise fee due under the franchise agreement The franchise agreement authorizes you to operate a single Lab using our distinctive business format and method (the "System"), which incorporates mandatory methods, techniques, specifications, policies and procedures (the "Standards"), as well as non-mandatory guidelines and recommendations, that are described in our confidential manuals ("Manuals"), or that are communicated to you electronically, in writing or by any other means The Lab operates under the mark SERENDIPITY LABS and other trademarks, trade names, service marks, logos, emblems, trade dress, and other indicia of origin that we designate for use under the System (the "Marks")

A Lab is a membership-only and hospitality-focused facility that offers members such as mobile workers, telecommuters, business travelers and project teams access to co-working,

meeting and event accommodations and services, as well as reception, telecommunications, Internet, data transmission, videoconferencing and related business support products and services, under a range of access options (day passes, 5 days/month, 10 days/month, unlimited co-working access/month, etc) A Lab contains multiple workspaces (including shared, **team,** designated and private workspaces), a reception area, a Lab Cafe, 1 or more lounges, multiple event and meeting accommodations, telecommunications, Internet, data transmission and videoconferencing systems, and related business support products and services from trained hospitality representatives at the facility, as needed Clients subscribe to membership plans providing for specified levels of access and services

~~A Standard Lab ("Standard Lab") consists of a location with about 12,500 to 17,499 rentable square feet of commercial office or retail space A Hub Lab ("Hub Lab") consists of a location with from 17,500 to 25,000 or more rentable square feet of commercial office or retail space~~

The market for the services you will offer is developing and competitive You will be competing with other national, regional and local serviced, flexible office providers, co-working facilities, meeting and training facilities and commercial office alternatives Many competitors are local entrepreneurs operating a small number of locations We are aware, however, of several national and international competitors offering services that are similar to or competitive with the services that our Labs provide You will be offering the Lab's services to a broad base of clients, consisting of business persons who require serviced and flexible workspaces and meeting spaces to conduct their businesses

Development Rights

We also grant development rights under which developers will develop multiple Labs within an agreed upon geographic area We expect that developers will open 1 Lab per year Developers must have substantial prior business experience and substantial financial resources Before acquiring development rights, you generally must sign a letter of intent (attached as Exhibit A), and pay a refundable initial deposit To acquire development rights, you must sign a development agreement (attached as Exhibit C), sign a franchise agreement for your 1st Lab (attached as Exhibit B), and pay the development fee and initial franchise fee due under the development agreement and franchise agreement Before you open each additional Lab, you must sign a franchise agreement, which will be in the same form as the franchise agreement that you sign for the 1st Lab, and we must approve the location and protected territory of the additional Lab

Conversion Franchises

We also offer qualified individuals the right to convert non-SERENDIPITY LABS facilities into Labs ("Conversion Franchisees") To become a Conversion Franchisee, you must sign our current form of franchise agreement (Exhibit B) and a conversion addendum (Attachment 1 to the franchise agreement) The conversion addendum modifies the franchise agreement and provides for the special issues concerning the conversion of an existing business to a Lab

Laws and Regulations

You and your clients must comply with the U S Postal Service's Commercial Mail Receiving Agency ("CRMA") rules, which may apply to certain clients who use your Lab for

receiving mail Your Lab must comply with the Americans With Disabilities Act, and all local zoning laws, land use laws and regulations You must operate your Lab according to all laws and regulations that apply to businesses generally, including, for example, federal, state and local employment, zoning, building, health, safety, environmental and intellectual property laws and regulations

Our Parent, Predecessors and Affiliates

We have no predecessors

We are a wholly owned subsidiary of our parent company, Serendipity Labs, Inc ("SLI"), a Delaware corporation SLI licenses certain technology to you relating to its proprietary OASIS® computer software and hardware system ("OASIS")

Our affiliate, Serendipity Labs Management, LLC ("SLM"), a Delaware limited liability company, has owned and operated a Lab in Rye, New York, since November 2012 As of December 31, ~~2017,~~**2018,** SLM was managing **12** Labs~~ in Stamford, Connecticut, Aventura, Florida, and Bethesda, Maryland~~ SLM is available to provide management services to our franchisees relating to the operation of Labs, and provides or is available to provide advisory services to third parties relating to the operation of facilities similar to Labs If you want to receive management services for your Lab from SLM, and if SLM is available and agreeable to providing the services, you must sign a management agreement (attached as Exhibit H), and must pay the management fees due under that agreement

SLI and SLM maintain their principal business office at 700 Canal Street, Stamford, Connecticut 06902 SLI and SLM have not offered franchises of the type offered in this disclosure document or franchises in any other line of business

Our affiliates may periodically establish similar businesses that operate under modified versions of the SERENDIPITY LABS trademark For example, our affiliates may establish, and we may grant franchises for, Labs that are similar to the one you will operate, but which may be smaller or larger in size, have fewer workspaces, be configured with more meeting and collaboration space, contain different design elements, reflect different trade dress or specialize in serving special types of locations, such as hotel facilities, corporate client facilities or airports These other businesses may operate under marks such as SERENDIPITY Lounge or SERENDIPITY Cafe These Labs, if established, will be considered "Other Brand Businesses" for purposes of the franchise agreement, which means that they may be located within the protected territory of your Lab or the geographic area covered by your development agreement Currently, we do not operate or franchise, or have any plans to operate or franchise, any similar businesses of this type

Item 2

BUSINESS EXPERIENCE

President John P Arenas

Mr Arenas has been our President since April 2012, in Rye, New York until December 2017, and in Stamford, Connecticut since January 2018 He has been Chairman and Chief Executive Officer of SLI since October 2011, in Rye, New York until December 2017, and in Stamford, Connecticut since January 2018

Vice President of Operations Michael B Johnston

Mr Johnston has been our Vice President of Operations since July 2012, in Atlanta, Georgia He has also been Vice President of Operations of SLI since July 2012, in Atlanta, Georgia

Vice President of Platform Services Vinay Kantak

Mr Kantak has been our Vice President of Platform Services since November 2011, in Sugar Land, Texas~~ He has also been Vice President of Platform Services of SLI since November 2011, in Sugar Land, Texas~~

~~Senior Vice President of Franchise Sales and Development Brad L LeBlancMr LeBlanc has been our Senior Vice President of Franchise Sales and Development since March 2013, in Fulton, Maryland He has also been Senior Vice President of SLI since March 2013, in Fulton, Maryland He was not employed from October 2012 to February 2013~~ **until 2016, and in Montara, California since 2016.**

Director of Franchise Sales and Development Kristen Pike Baldon

Ms Pike has been our Director of Franchise Sales and Development since October 2015, in Nashville, Tennessee From December 2014 to October 2015, she was a Corporate Recruiter for Apex Systems, Inc in Nashville, Tennessee From August 2012 to November 2014, she was Franchise Development Manager ~~of~~**for** Tasti D-Lite, LLC in Brentwood, Tennessee ~~Before August 2012, Ms Pike was a university student~~

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

A LETTER OF INTENT

Before you acquire franchise or development rights, you generally must sign a letter of intent (attached as Exhibit A) and pay an initial deposit

The initial deposit is refundable, less any direct preapproved expenses, until the expiration date of the letter of intent When your 1st franchise agreement is signed in connection with a development agreement, the initial deposit generally is applied to the initial franchise fee due under that agreement, and becomes non-refundable When a franchise agreement is signed without a development agreement, the initial deposit for that franchise agreement generally is applied to the initial franchise fee due under that agreement, and becomes non-refundable

The initial deposit is variable and negotiable, based on factors such as the number of Labs being developed and other circumstances The initial deposit generally is ~~$25,000, but, for example, may be $50,000 if you intend to open a large number of Labs with a development agreement, or may be $10,000 if you intend to open 1 or 2 Labs without a development agreement~~ **25,000 to $50,000.**

B FRANCHISE AGREEMENT

Initial Franchise Fee

The initial franchise fee is $~~50,000~~**75,000,** payable when you sign the franchise agreement

The initial franchise fee is ~~fully earned and non-refundable when the franchise agreement is signed, except that we may, at any time before you successfully complete initial training, cancel the franchise agreement if we decide that you should not operate a Lab If we cancel the franchise agreement for this reason, and if you sign a release in favor of us and our affiliates, we will refund to you 50% of~~**uniform and non-refundable. In 2018,** the initial franchise fee ~~you actually paid, without interest~~ **was a uniform $50,000.**

Site Selection Fee, and Expenses

~~The initial franchise fee is uniform, except as disclosed in Item 5 C~~

If you are seeking a site for your Lab, you must pay us a site selection fee of $15,000 to compensate us for the time and expense required in evaluating potential sites for your Lab This fee is due when you sign the franchise agreement, and is uniform and non-refundable In addition, you must reimburse us for the reasonable out-of-pocket travel and other expenses our personnel incur to assist in the site selection process, within 30 days after invoicing.

Conversion Fee

If you are converting an existing business to a Lab, you do not pay the initial franchise fee referenced above Instead, you pay a conversion fee of $7,500, payable when you sign the franchise agreement (Exhibit B) and the conversion addendum (Attachment 7 to the franchise agreement) This fee is **uniform and** non-refundable~~ and uniform~~

Training Fees

We will provide initial training for up to 3 people at no extra charge to you If you send more than 3 people to initial training, we will charge you training fees of $225 per day per additional person In addition, you must pay for all of your trainees' salaries, benefits, and travel, lodging and meal expenses

~~Training fees are non-refundable~~ Training fees are uniform, unless we agree to negotiate them based on factors such as the number of Labs being developed, when a Lab will be opened, whether a Lab is being managed by a franchisor affiliate, market importance, market coverage and other circumstances Training fees are non-refundable

OASIS Setup Fee and Expenses

You must pay us~~ a $10,000 OASIS setup fee for a Standard Lab or~~ a $15,000 OASIS setup ~~fee for a Hub Lab, plus $100 per user for OASIS enterprise cloud services setup,~~ for the installation, configuration and testing of OASIS In addition, you must reimburse us for the reasonable travel-related expenses of our personnel who come to your Lab to oversee the installation, configuration and testing of OASIS, which we estimate will be $1,000 to $5,000

~~The OASIS setup fee is non-refundable, and the expenses are non-refundable and variable~~ The OASIS setup fee is uniform, unless we agree to negotiate it based on factors such as the number of Labs being developed, when a Lab will be opened, whether a Lab is being managed by a franchisor affiliate, market importance, market coverage and other circumstances **In 2018, the OASIS setup fee ranged from $10,000 to $15,000.** The OASIS setup fee is non-refundable, and the expenses are **variable and non-refundable**

C DEVELOPMENT AGREEMENT

Development Fee

When you sign a development agreement, you must pay us a development fee of $20,000 for each Lab after the 1st Lab to be developed under the development agreement A development agreement generally provides for the development of 3 or more Labs

When you sign a development agreement, you also must sign a franchise agreement for your 1st Lab and pay the initial franchise fee of ~~$50,000~~**75,000** for that Lab When you sign a franchise agreement for an additional Lab, you will receive a development credit of $20,000 against the initial franchise fee of ~~$50,000~~**75,000** for the additional Lab, and therefore will pay only ~~$30,000~~**55,000** as the net amount due on the initial franchise fee for that Lab

~~The development fee is fully earned and non-refundable when the development agreement is signed~~

The net amount payable under a franchise agreement for an additional Lab is fully earned and non-refundable when the franchise agreement is signed, except that we may, at any time before you successfully complete initial training, cancel the franchise agreement if we decide that you should not operate a Lab If we cancel the franchise agreement for this reason, and if you sign a release in favor of us and our affiliates, we will refund to you 50% of the initial franchise fee you actually paid, without interest

The development fee, development credits and net amounts are uniform, unless we agree to negotiate them based on factors such as the number of Labs being developed, when a Lab will be opened, whether a Lab is being managed by a franchisor affiliate, market importance, market coverage and other circumstances **The development fee is non-refundable**

D MANAGEMENT AGREEMENT

Pre-Opening Project Management Fee

If you want to receive management services for your Lab from SLM, and if SLM is available and agreeable to providing the services, you must sign a management agreement with SLM (attached as Exhibit H) ~~If, under~~**Under** the management agreement, ~~you request SLM to provide pre-opening project management services,~~ you must pay SLM a **pre-opening** project management fee of $75,000 The fee is payable 50%, or $37,500, when you sign the management agreement, and $37,500 when your Lab opens

SLM's pre-opening project management services include (i) planning, supervising and directing design professionals for the schematic, design development and full construction document completion, (ii) planning, supervising and directing construction management professionals for in the value engineering, bidding, construction and progress payment process, (iii) reviewing and approving shop drawings and specifications for construction materials, such as architectural wall systems, lighting packages, flooring, millwork, lockers and signage, (iv) planning and conducting procurement and installation logistics for all furniture, fixtures and equipment, (v) activating all pre-opening marketing in accordance with an approved annual business plan, (vi) managing pre-opening sales, and (vii) testing and accepting all systems

The **pre-opening** project management fee is uniform~~, and is fully earned~~ and non-refundable ~~when the management agreement is signed~~

Optional Construction Management Fee

If you sign a management agreement with SLM, you may request SLM to provide construction management services related to the build-out of your Lab. If you request those optional services, you must pay SLM an optional construction management fee of $50,000 This fee is payable 50%, $25,000, when you sign the management agreement and 50%, $25,000, when your Lab opens

The optional construction management fee is uniform and non-refundable.

Item 6

OTHER FEES

Name of Fee [1]	Amount	Due Date	Remarks
Continuing Services Fee	6% of Gross Revenue [2], minimum of $1,500	10th day of each month	You must pay this fee to us by electronic funds transfer
National Marketing Support Fund Contribution [3]	2% of Gross Revenue	10th day of each month	We administer a national marketing support fund (see Item 11), you must pay this fee to us by electronic funds transfer
Local Advertising Cooperative [4]	Minimum of 2% of annual Gross Revenue	As incurred	If we establish a local advertising cooperative consisting of all Labs in your area, we may require you to participate (see Item 11)
OASIS Operational Support Fee [5]	~~Currently $1,250~~**$1,000** per month	10th day of each month	You must pay this fee to SLI by electronic funds transfer
OASIS Cloud Services Fee	Currently $25-$50 per user per month	10th day of each month	You must pay this fee to SLI by electronic funds transfer
Software Technical Support Fee	Currently Office 365-$60 per month (2 users), Salesforce-$250 per month (2 users), MOSO-$99 per month (1 site), and Network printing-$25 per month	10th day of each month	You must pay this fee to us by electronic funds transfer
Reservation System Booking Transaction Fees	$5 per transaction, plus actual credit card processing fees if paid via our merchant services account	As incurred	See Attachment 1 to the franchise agreement
Corporate Account Servicing Fee [6]	Currently 5% of Contract Value of Service Agreement with Corporate Account Client	When billed, at least annually	We may increase this fee each calendar year by an additional 1%, up to a maximum of 6%
Additional training	Reasonable training fee (currently $225 per day per person)	When billed	We may require your principals to attend additional training
Additional Assistance Fee [7]	$1,000 per day, plus out-of-pocket expenses for our personnel (per person per day)	Before the 1st day of scheduled assistance	This fee is for special or additional assistance you need or request
Website Upload Fee	$250 per content upload	When billed	We may increase this fee on 30 days' written notice See Attachment 1 to the franchise agreement
Annual Conferences and Seminars [8]	Reasonable registration fee to cover proportionate share of our out-of-pocket expenses	Before attendance	
Supplier Evaluation	Reasonable cost of the	Before	

Name of Fee [1]	Amount	Due Date	Remarks
Fee [9]	inspection/testing	evaluation of proposed supplier	
Unapproved Item or Supplier Fee	**$500 per day of use in the construction, build-out or operation of your Lab**	**Within 10 days after we invoice**	**If you purchase, lease, install or use any item that has not been approved by us, or purchase or lease any item from a supplier we have not approved, we have the right to charge you this fee.**
Insurance coverage [10]	Amount of premium, plus our administrative costs	When billed	
Transfer Fee (franchise) [11]	10% of our then-current initial franchise fee	Before transfer	Payable only when franchise or controlling interest in you is transferred
Transfer Fee (development grant)	$5,000 per undeveloped franchise	Before transfer	Payable only when development grant or controlling interest in development agreement is transferred
Finder's Fee (franchise or development grant) [11]	8% of the consideration you will receive on account of the transfer	Before transfer	
Temporary Operational Fee [12]	11% of Gross Revenue	When billed	Payable for any period that we manage your Lab in the event of your death or disability
Re-Inspection Fee/ Deficiency Charge [13]	Currently $1,000, plus our cost of curing any deficiency	As incurred	
Relocation Fee [14]	Reasonable fee for services	As incurred	
Indemnification [15]	Our actual costs	As incurred	You must reimburse us if we are held liable for claims involving the establishment or operation of your Lab
Improvements, Updates and Upgrades [16]	Cost of improvements, updates and upgrades	As incurred	
Examination or audit	Cost of examination or audit, plus amount of any discrepancy and administrative fee equal to 10% of the discrepancy amount	When billed	Payable only if we find, after an audit, that you have understated or underpaid any amount owed to us by 5% or more for any 3-month or longer period, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a

Name of Fee [1]	Amount	Due Date	Remarks
			timely manner
Reimbursements and penalty fees[17]	Will vary under circumstances	When billed	Reimbursements on returned check charges, client complaint resolution payments and similar expenses, penalty fees on unpaid invoices, violation of the Terms of Use Agreement and other defaults
Attorneys' Fees and Costs [18]	Our actual attorneys' fees and costs	As incurred	Payable if your non-compliance with the franchise agreement causes us to incur legal expenses
Interest and Administrative Fees [19]	12% per annum or highest lawful rate, 10% of the discrepancy amount (in California, the highest lawful rate of interest is 10% per annum)	As incurred	
Product Improvement Plan Fee [20]	$7,500	When billed	Payable if you convert an existing facility to a Lab
Product Design Services Fee	$1,000 per day	When billed	Payable if you request our assistance in the evaluation and design of a new product or service for your Lab
Procurement Services Fee [21]	Up to 10% of the gross value of the materials and services ordered by us or our affiliate on your behalf	As incurred	Payable if you request that we set up and furnish your Lab
Hosted Telephone and Internet Circuit [22]	$900 to $2,500 per month for the telephone and ~~internet~~**Internet** circuit, depending on circuit size, type and Lab's physical location	As incurred	Generally payable to 3rd parties If we pay on your behalf, you must reimburse us by electronic funds transfer
Rewards Programs	Reasonable costs associated with the reward programs	When billed	You must participate in all reward programs we establish
3rd Party Reservation Charges [23]	10% of the value of the sale, plus actual credit card processing fees if paid via our merchant services account	As invoiced, or deducted from online transactions if payment is made via our merchant services account	Payable to a 3rd party, forwarded by us on your behalf
Cost and Expense Reimbursements	Reasonable costs and expenses incurred during term and	30th days after notice	If you sign a management agreement with SLM, you

Name of Fee [1]	Amount	Due Date	Remarks
	within 30 days after termination		must reimburse SLM for costs and expense incurred to manage your Lab
Management Fee	Greater of ~~$5,000~~,**5,000** or 5% of Gross Revenues in the prior month	10th day of each month	If you sign a management agreement with SLM, you must pay this fee
Incentive Management Fee	10% of EBITDA for each fiscal year in excess of that fiscal year's budgeted EBITDA set forth in the Annual Business Plan	5th day after delivery of financial statements for the fiscal year and after you and SLM reach agreement on the amount, if any	If you sign a management agreement with SLM, you must pay this fee
Accounting Fee	$1,000	10th day of each month	If you sign a management agreement with SLM, you must pay this fee for accounting and payroll services in the prior month
Project Management Fee	5% of cost of agreed-upon capital improvements if cost of project is $10,000 or more, or negotiated amount if cost of project is less than $10,000	When billed	If you sign a management agreement with SLM, and if you request SLM to supervise capital improvements to your Lab, you must pay this fee
Sale Termination Fee	If you terminate the management agreement due to the sale of your Lab within the 1st 60 full calendar months of operation, an amount equal to the Management Fees and Accounting Fees paid or payable for prior 6 full calendar months, unless SLM continues to manage the Lab for the new owner, in which event no fee is due	When billed	If you sign a management agreement with SLM, and if you terminate due to the sale of your Lab, you must pay this fee
Convenience Termination Fee	If you terminate the management agreement for convenience within the 1st 36 full calendar months of operation, the average monthly Management Fees and Accounting Fees for the prior 3 months, times 12, after the 36th and before the 48th full calendar month, the	When billed	If you sign a management agreement with SLM, you must this fee

Name of Fee [1]	Amount	Due Date	Remarks
	average monthly Management Fees and Accounting Fees for the prior 3 months, times 6, after the 48th full calendar month, the average monthly Management Fees and Accounting Fees for prior 3 months, times 3		
Indemnification	Costs, expenses, liabilities and claims relating to the payment or nonpayment of taxes	When billed	If you sign a management agreement with SLM, you must pay this fee

Notes

Note 1 All fees and expenses described in this Item 6 are non-refundable Except as otherwise indicated above, we impose all of the fees and expenses listed, and they are payable to us All fees described in this Item 6 are uniform, unless we agree to negotiate them based on factors such as the number of Labs being developed, when a Lab will be opened, whether a Lab is being managed by a franchisor affiliate, market importance, market coverage and other circumstances All expenses described in this Item 6 are variable

Note 2 "Gross Revenue" means all funds (including cash, credit, check, charge account, exchange or otherwise and regardless of collection in the case of credit) accruing from the provision of Business Services provided at or from the Lab, including membership plans, service agreements and the sale of all other products and services at or from the Lab "Business Services" mean any workspace, meeting or event accommodations or services, or any reception, telecommunications, Internet, data transmission, videoconferencing or related business support products or services, provided at or from the Lab Gross Revenue does not include excise, sales or other taxes collected as part of a sale and directly payable to any federal, state, municipal or other governmental authority, any refunds made to clients, condemnation awards, compulsory purchase awards, grants or subsidies, any supplier refunds that you may receive, any rent or property tax rebates, or any proceeds from the sale of used furniture, equipment or fixtures, or similar items Continuing Services Fee payments will be collected by electronic funds transfer ("EFT") on the 10th day of the month following the month for which the fee is calculated

Note 3 You must contribute 2% of Gross Revenue to the National Marketing Support Fund (the "Fund") Contributions will be collected by EFT on the 10th day of the month following the month for which the contribution is calculated

Note 4 You must spend a minimum of 2% of your annual Gross Revenue on local marketing according to the marketing guidelines contained in our Manuals All or a portion of that amount may include contributions to a local advertising cooperative

Note 5 You must install and use our proprietary service delivery platform, currently known as OASIS OASIS is a centrally-supported and serviced provisioning and business management system comprised of proprietary systems, 3rd party software, integration software, and standardized operating policies and procedures, acquired and/or developed specifically to meet our business requirements Because of its proprietary nature, our parent, SLI, is the only supplier of OASIS You must pay SLI a monthly OASIS Operational Support Fee of ~~$1,250~~ **1,000.** This amount may be increased by SLI on 30 days' written notice as OASIS services are expanded We will provide you access to OASIS via password-protected website(s) and/or other means The monthly OASIS Operational Support Fee does not cover the cost of required

software and hardware components The OASIS setup fee (for the operating system and interface software, and for installation, configuration and testing) is ~~$10,000 for a Standard Lab or $15,000 for a Hub Lab, plus $100 per user for OASIS enterprise cloud services setup,~~**15,000,** and is payable to SLI You must pay for the travel and other reasonable expenses of our personnel who come to your Lab to oversee the installation, configuration and testing You also must pay any fees that are assessed by the 3rd party OASIS connectivity installation vendors, including any rescheduling or cancellation fees you incur These vendors typically charge between $15,000 and $30,000, and rescheduling and cancellation fees typically range from $500 to $2,000, depending on circumstances and vendors Vendor installation costs are included in respective equipment/furniture costs These up-front computer costs are not refundable About 90 to 120 days before your Lab opens, you must sign the OASIS Platform Services Agreement attached as Exhibit G to this disclosure document, which will govern your access to and use of OASIS

Note 6 Periodically we and our affiliates may enter into agreements with corporate clients ("Corporate Account Agreements") according to our Corporate Account Program, as described in our Manuals At least annually, you will pay us a Corporate Account Servicing Fee based on the Contract Value of each Service Agreement for Business Services that you enter into with a corporate account client during a calendar year The "Contract Value" of a Service Agreement equals the recurring monthly amount due from a particular client times the number of months in the initial term of the Service Agreement with the client For the 1st calendar year of the franchise term, the Corporate Account Servicing Fee will not exceed 5% of the Contract Value of any Service Agreement entered into with a corporate account client during that calendar year We may increase this fee each calendar year by an additional 1%, to a maximum of 6% This fee will be billed following the close of the previous calendar year, quarter or month, and will be payable to us by EFT on the 10th day of the month following the month in which the fee is billed

Note 7 At your request, 1 or more of our personnel or representatives may provide on-site assistance at your Lab premises If we provide this assistance, you will pay us a per diem fee, plus all travel, lodging and meal expenses for each individual providing on-site assistance to you

Note 8 During the term of the franchise agreement, we may require your principals to attend additional training programs, conferences and seminars that we may periodically offer We may charge a reasonable registration fee to cover a proportionate share of our out-of-pocket expenses for these programs, conferences and seminars We estimate that the registration fee will range from $500 to $1,000

Note 9 We may charge a reasonable fee for inspection and testing if you ask us to evaluate a proposed supplier

Note 10 If you fail to obtain the minimum required levels of insurance, we may obtain the insurance on your behalf and charge you the amount of the premium, plus a reasonable administrative fee to cover our costs

Note 11 If you transfer the franchise, or any interest in the franchise entity (except in limited circumstances described elsewhere in this disclosure document), you must pay us a transfer fee equal to 10% of our then-current initial franchise fee If we located or referred the purchaser to you, you also must pay us a finder's fee equal to 8% of the consideration you receive, or have the right to receive, from the transferee for the transfer, excluding any amount of consideration you receive, or have the right to receive, for real estate or a lease

Note 12 In the event of your death or permanent disability, we may elect to operate (or appoint a designee to operate) your Lab until your interest in the franchise is appropriately transferred As compensation for

operating your Lab (in addition to any fees payable to us under the franchise agreement), we may collect a temporary operational fee equal to 11% of Gross Revenue

Note 13 At least once each year, we may conduct a comprehensive quality assurance inspection of your Lab, which we call Performance Assurance Report ("PAR") There is no charge for this inspection If you fail the inspection, we will perform a 2nd PAR, and you must pay us a $1,000 fee to cover our expenses in conducting the 2nd inspection If you fail to correct, within a reasonable time, any deficiencies revealed by any inspection, we may correct the deficiencies and charge you a reasonable fee for performing those services

Note 14 We may charge you for any cost we incur plus a reasonable cost for our services in connection with your relocation of your Lab

Note 15 You must indemnify us and our affiliates from liability for any claim based on or arising from the establishment or operation of your Lab

Note 16 You must make all capital improvements to your Lab, including structural improvements and changes to trade dress, and acquire all new and replacement fixtures, furniture and equipment as we may periodically require under the upgrade schedule in our Manuals Generally, you will required to make minor updates totaling no more than $50,000 no more frequently than every 3 years You will be required to make major updates (which may include the replacement of all Lab furnishings and upgrades to designs) no more frequently than every 7 years

Note 17 You must sign our Terms of Use Agreement (Attachment 8 to the franchise agreement) You must prevent the dissemination of spam or other unsolicited bulk email, and must pay us liquidated damages of $5 for each piece of spam or unsolicited bulk email transmitted under or associated with your User ID

Note 18 With respect to any arbitration or other action, the prevailing party is entitled to recover its reasonable attorneys' fees and costs This means that we will be entitled to be reimbursed for reasonable attorneys' fees and costs that we incur in obtaining any remedy under the franchise agreement

Note 19 All overdue amounts will bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less (In California, the highest lawful rate of interest is 10% per annum) If any audit we conduct reveals a discrepancy of 5% or more for any 3-month or longer period, you must pay us an administrative fee equal to 10% of the discrepancy amount

Note 20 If you desire to convert an existing facility to a Lab, we charge a non-refundable fee of $7,500 to prepare the Product Improvement Plan ("PIP") for your Lab You must pay the fee before we schedule the PIP inspection We will apply the PIP fee towards the payment of your initial franchise fee

Note 21 If we or our affiliates furnish, supply, service or equip your Lab at your request before it opens, you must pay or reimburse us or them for all costs, including freight costs and taxes, we or they incur at your request, and related service fees In particular, SLM, as we specify, distributes Lab furniture, furnishings, fixtures, equipment and supplies, and certain food and beverage supplies You may purchase **or lease** these items through our established buying groups or directly from approved suppliers, as we specify, but you are not obligated to do so If you buy directly from SLM, it will invoice you for the cost of the products acquired, plus a procurement fee of up to 10% of the gross cost of the product

Note 22 If you fail to obtain minimum levels of connectivity for voice and data, we may obtain the service on your behalf and charge you the amount of the premium, plus a reasonable administrative fee to cover our costs

Note 23 Cost and fees incurred in connection with 3rd party reservation systems (such as web-brokers, ~~internet~~**Internet** and other reservation providers)

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

~~Standard Lab~~

~~(A Standard Lab consists of about 12,500 rentable square feet of commercial or retail space at the low end of the range, and about 17,499 rentable square feet of commercial office or retail space at the high end of the range. The actual yield of offices, meeting rooms and public areas will vary based on pre-existing conditions and design.)~~

Type of Expenditure [1]	Actual or Estimated Low [2]	Actual or Estimated High [2]	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee [3]	~~$50,000~~**75,000**	~~$50,000~~**75,000**	Lump sum	On signing **the** franchise agreement	Us
Site Selection Fee	**$0**	**$15,000**	**Lump sum**	**On signing the franchise agreement**	**Us**
Leasehold Improvements [4]	~~$62,500~~**87,500**	~~$350,000~~**500,000**	As incurred	Before opening	3rd parties
Design and Architectural Services	**$45,000**	**$125,000**	**As incurred**	**Before opening**	**3rd parties**
Computer Hardware ~~and Software~~**& Supplies** [5]	~~$6,600~~**4,000**	~~$7,300~~**8,000**	As incurred	Before opening	Us, our affiliates ~~and~~**&** 3rd parties
~~Telephone, Internet and Other Information Technology, if leased/ purchased~~ [6]	~~$1,600~~	~~$134,400~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~IT~~**Low Voltage** Infrastructure **&** Installation[7] **[6]**	~~$11,000~~**35,000**	~~$20,000~~**80,000**	As incurred	Before opening	3rd parties
Audio-Visual Hardware & Installation[7]	**$30,000**	**$65,000**	**As incurred**	**Before opening**	**3rd parties**
Access Control Hardware & Installation [8]	**$12,000**	**$32,000**	**As incurred**	**Before opening**	**3rd parties**

Type of Expenditure [1]	Actual or Estimated Low [2]	Actual or Estimated High [2]	Method of Payment	When Due	To Whom Payment Is To Be Made
Multi-Function Secure Printing [9]	**$4,000**	**$13,000**	**As incurred**	**Before opening**	**3rd parties**
Network, Wi-Fi & VoIP Hardware & Installation [10]	**$30,000**	**$55,000**	**As incurred**	**Before opening**	**3rd parties**
Software Licenses & Cloud Services [11]	**$2,500**	**$5,200**	**As incurred**	**Before Opening**	**Us, our affiliates or 3rd parties**
OASIS Setup Fee & Expenses [12]	**$16,000**	**$20,000**	**Lump sum**	**On signing OASIS agreement**	**SLI**
Furniture ~~and~~**&** Fixtures, if leased/purchased -[8]~~13~~	~~$7,500~~ **10,000**	~~$283,000~~**382,500**	As incurred	Before opening	3rd parties
Signage	$500	$15,000	As incurred	Before opening	3rd parties
Office Supplies ~~and~~**&** Equipment [9]~~14~~	~~$4,300~~**8,600**	~~$6,000~~**10,200**	As incurred	Before opening	3rd parties
Pre-Opening Salaries ~~10~~[15]	~~$20,000~~**43,000**	~~$30,000~~**64,000**	As incurred	Before opening	3rd parties
~~Pre-Opening~~**Training-Related** Travel, Lodging ~~and~~**&** Meals ~~11~~[16]	~~$1,500~~**2,500**	~~$2,500~~**5,000**	As incurred	Before opening	3rd parties
Pre-Opening Advertising Expense ~~12~~[17]	$5,000	~~$15,000~~**25,000**	As incurred	Before opening	3rd parties
Business Permits ~~and~~**&** Licenses ~~13~~[18]	$500	$2,500	As arranged	As arranged	3rd parties
Insurance Deposits ~~and~~**&** Premiums ~~14~~[19]	$2,000	$6,000	As arranged	As arranged	3rd parties
Site Lease Deposit ~~15~~[20]	~~$62,500~~**87,500**	~~$438,000~~**1,000,000**	As arranged	As arranged	3rd parties
Utility Deposits	$500	$2,000	As arranged	As arranged	3rd parties
~~OASIS Setup Fee~~[16]	~~$10,200 (including $200 for 2 estimated users for OASIS enterprise cloud services setup)~~	~~$10,400 (including $400 for 4 estimated users for OASIS enterprise cloud services setup)~~	~~Lump sum~~	~~Before opening~~	~~SLI~~
Professional Fees (lawyer, accountant, etc)	$10,000	~~$12,000~~**20,000**	Lump sum	As incurred	3rd parties
Pre-Opening Project Management Fee (for pre-opening project management services	$0	$75,000	2 payments	50% on signing management agreement,	SLM

Type of Expenditure [1]	Actual or Estimated Low [2]	Actual or Estimated High [2]	Method of Payment	When Due	To Whom Payment Is To Be Made
from SLM, if available ~~and~~& requested)				50% when Lab opens	
Optional Construction Management Fee	**$0**	**$50,000**	**2 payments**	**50% on signing management agreement, 50% when Lab opens**	**SLM**
Additional Funds (6 months) ~~17~~21	~~$75,000~~**100,000**	~~$100,000~~**250,000**	As incurred	As incurred	3rd parties
Total ~~18~~22	~~**$331,200**~~**611,100**	~~**$1,559,100**~~ [illegible]			

Notes

Note 1 Neither we nor any affiliate offers direct or indirect financing to you for any expenditure Except for deposits, all fees are generally non-refundable

~~Note 2 These figures are estimates We recommend that you obtain independent estimates from 3rd party suppliers for the costs which would apply to your establishment and operation of a Lab We make no representation that your costs will come within the ranges estimated and cannot guarantee that you will not incur additional expenses establishing your Lab Your actual costs will depend on geographic region, the time of year, the number of clients being serviced, sales promotions, how much you follow our methods and procedures, your management skills, experience and acumen, local economic conditions, the local market for our services and products, prevailing market salaries, competition, and the sales level that you reach during the initial period of your franchised business The estimated initial investment and other estimates in this disclosure document do not take into account your personal living expenses, any debt service needs, ongoing working capital requirements, accounts receivable financing or other costs~~

~~Note 3 If you sign a letter of intent for the establishment of a Lab or multiple Labs, you must pay an initial deposit The initial deposit generally is applied to the initial franchise fee due for your 1st Lab if there is a development agreement, or to the initial franchise fee due for each Lab if there is no development agreement If you are converting an existing business to a Lab, you do not pay the initial franchise fee Instead, you pay a conversion fee of $7,500 See Item 5 of this disclosure document for more information concerning the initial franchise fee and the conversion fee~~

~~Note 4 Labs vary in size, ranging from about 12,500 square feet to 17,499 square feet, and may occupy a single floor, a number of floors, parts of a building or an entire building The range in the chart represents estimated costs of leasehold improvements for a 12,500 square foot Lab requiring improvements amounting to $5 per square foot above the landlord's tenant allowance on the low end of the range, to a 17,499 square foot Lab requiring substantial improvements amounting to $20 per square foot above the landlord's tenant allowance on the high end of the range Actual costs of improvements will vary, depending on various factors including the condition of the site you choose, the cost of architectural drawings, the local cost of contractors and the geographic location of the Lab~~

~~Note 5 The range in the chart represents the estimated cost for all required computer hardware and software necessary to begin operating the Lab, excluding the OASIS setup fee See Items 6 and 11 for more~~

~~information regarding these costs. The range includes an estimated $1,000 to $5,000 that you may reimburse us for the reasonable travel-related expenses of our personnel who come to your Lab to oversee the installation, configuration and testing of OASIS.~~

~~Note 6. The low estimated cost in the chart represents the cost of the 1st month of equipment leasing (Estimated Low). The high estimated cost of assumes the purchase of required communications equipment (including a telephone system and cabling) (Estimated High).~~

~~Note 7. The range in the chart represents the cost to install the IT infrastructure equipment required. This includes, but is not limited to, items such as television monitors, routers, network switches, speakers, CCTV cameras, WiFi access points and an IT rack.~~

~~Note 8. The figures in the chart represent the estimated cost of leasing required furniture and fixtures for a 12,500-square-foot Lab on the low end of the range to the estimated cost of purchasing furniture and fixtures for a 17,499-square-foot Lab on the high end of the range. It includes the cost of furnishings for the administration area, reception area, furnished workspaces and conference rooms, lounge, and Lab Cafe. The low end of the range assumes only the 1st month's payment in advance for a lease from a 3rd party leasing vendor at fair market value.~~

~~Note 9. The figures in the chart represent the estimated cost of purchasing necessary equipment and office supplies (including printed materials, promotional materials and equipment) needed for the 1st 3 months of operating the Lab. Also included are supplies for the Lab Cafe, such as plates, glass ware and serving utensils. These figures do not take into consideration equipment leasing alternatives.~~

~~Note 10. The range in the chart represents the estimated cost of employing a person who will be responsible for the day-to-day management of your Lab (a franchise manager) and a person who will manage sales for your Lab for 2 months before opening (a sales manager). The high end of the range also includes a 3-month salary for you or a franchise manager and a sales manager.~~

~~Note 11. The training expense figures include travel, lodging and meal expenses for up to 3 trainees attending the initial part of our initial training program and for the person who will be responsible for the day-to-day management of your Lab to attend in-Lab training. The high end of the range includes airline travel, and the low end of the range assumes land travel, to all training programs.~~

~~Note 12. Pre-opening advertising expenses include the cost of pre-opening leasing and marketing activities for the Lab. The actual costs will vary depending on your market and the cost of local media, prevailing market conditions, and your own skills and experience in marketing a business.~~

~~Note 13. You will pay for business permits and licenses directly or through your contractors.~~

~~Note 14. The figures in the chart represent estimated annual insurance premiums for the minimum limits of insurance coverage described in Item 8. Actual insurance premiums will depend on the location of the Lab, local market conditions, your previous loss experience and the previous loss experience of your insurance carrier.~~

~~Note 15. We anticipate that you typically will operate the Lab from leased commercial space. The range in the chart reflects estimated lease deposits for a Lab consisting of 12,500 square feet of commercial office or retail space on the low end of the range to 17,499 square feet of commercial office or retail space on the high end of the range. Actual rent will vary according to the size and class of the space, geographic location, local market conditions, and the landlord's willingness to grant a tenant allowance for build-out. You should~~

~~consult a real estate professional in your geographic area before purchasing a franchise. Security deposits or other security requirements generally range from 2 months' rent to over 6 months' rent, depending on the creditworthiness of the tenant.~~

~~Note 16. The range in the chart includes the cost of installation, Lab-specific configuration, and administration of Enterprise systems for the use by the Lab, including Member management, Resource management and Reservation, Sales and Catering, CRM tools, Enterprise communication and media repositories, social media presence, portal and message boards, etc. It also includes supervising vendor installation activities and providing pre/post-opening support for the Lab staff.~~

~~Note 17. You may need these additional funds to operate the Lab during its initial phase of operation, which we estimate to be 6 months.~~

~~Note 18. We have relied on our 14 years of experience in operating businesses of the type and similar to the type we franchise in arriving at our cost estimates. These estimates may vary from location to location. You should review these figures carefully, compare them with information you obtain from local sources, and then discuss your findings with a business or legal advisor before making a decision to purchase a SERENDIPITY LABS franchise.~~

~~Hub Lab~~

~~(A Hub Lab consists of 17,500 rentable square feet of commercial or retail space at the low end of the range, and about 25,000 or more rentable square feet of commercial office or retail space at the high end of the range. The actual yield of offices, meeting rooms and public areas will vary based on pre-existing conditions and design.)~~

~~Type of Expenditure~~ [1]	~~Actual or Estimated Low~~ [2]	~~Actual or Estimated High~~ [2]	~~Method of Payment~~	~~When Due~~	~~To Whom Payment Is To Be Made~~
~~Initial Franchise Fee~~ [3]	~~$50,000~~	~~$50,000~~	~~Lump sum~~	~~On signing the franchise agreement~~	~~Us~~
~~Leasehold Improvements~~ [4]	~~$87,500~~	~~$500,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Computer Hardware and Software~~ [5]	~~$7,300~~	~~$8,500~~	~~As incurred~~	~~Before opening~~	~~Us, our affiliates and 3rd parties~~
~~Telephone, Internet and Other Information Technology, if leased/purchased~~ [6]	~~$2,000~~	~~$170,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~IT Infrastructure Installation~~ [7]	~~$11,000~~	~~$20,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Furniture and Fixtures, if leased/purchased~~ [8]	~~$10,000~~	~~$382,500~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Signage~~	~~$500~~	~~$15,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Office Supplies and Equipment~~ [9]	~~$8,600~~	~~$10,200~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Pre-Opening Salaries~~ [10]	~~$43,000~~	~~$64,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~

~~Type of Expenditure~~ [1]	~~Actual or Estimated Low~~ [2]	~~Actual or Estimated High~~ [2]	~~Method of Payment~~	~~When Due~~	~~To Whom Payment Is To Be Made~~
~~Pre-Opening Travel, Lodging and Meals~~ [11]	~~$2,500~~	~~$5,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Pre-Opening Advertising Expense~~ [12]	~~$5,000~~	~~$15,000~~	~~As incurred~~	~~Before opening~~	~~3rd parties~~
~~Business Permits and Licenses~~ [13]	~~$500~~	~~$2,500~~	~~As arranged~~	~~As arranged~~	~~3rd parties~~
~~Insurance Deposits and Premiums~~ [14]	~~$2,000~~	~~$6,000~~	~~As arranged~~	~~As arranged~~	~~3rd parties~~
~~Site Lease Deposit~~ [15]	~~$87,500~~	~~$625,000~~	~~As arranged~~	~~As arranged~~	~~3rd parties~~
~~Utility Deposits~~	~~$500~~	~~$2,000~~	~~As arranged~~	~~As arranged~~	~~3rd parties~~
~~OASIS Setup Fee~~ [16]	~~$15,300 (including $300 for 3 estimated users for OASIS enterprise cloud services setup)~~	~~$15,600 (including $600 for 6 estimated users for OASIS enterprise cloud services setup)~~	~~Lump sum~~	~~Before opening~~	~~SLI~~
~~Professional Fees (lawyer, accountant, etc.)~~	~~$10,000~~	~~$12,000~~	~~Lump sum~~	~~As incurred~~	~~3rd parties~~
~~Project Management Fee (for pre-opening project management services from SLM, if available and requested)~~	~~$0~~	~~$75,000~~	~~2 payments~~	~~50% on signing management agreement, 50% when Lab opens~~	~~SLM~~
~~Additional Funds (6 months)~~ [17]	~~$100,000~~	~~$250,000~~	~~As incurred~~	~~As incurred~~	~~3rd parties~~
~~**Total**~~ [18]	~~**$443,200**~~	~~**$2,228,300**~~			

~~Notes~~

~~Note 1 Neither we nor any affiliate offers direct or indirect financing to you for any expenditure Except for deposits, all fees are generally non-refundable~~

Note 2 These figures are estimates We recommend that you obtain independent estimates from 3rd party suppliers for the costs which would apply to your establishment and operation of a Lab We make no representation that your costs will come within the ranges estimated and cannot guarantee that you will not incur additional expenses starting your Lab Your actual costs will depend on geographic region, the time of year, the number of clients being serviced, sales promotions, how much you follow our methods and procedures, your management skills, experience and acumen, local economic conditions, the local market for our services and products, prevailing market salaries, competition, and the sales level that you reach during the initial period of your franchised business The estimated initial investment and other estimates

in this disclosure document do not take into account your personal living expenses, any debt service needs, ongoing working capital requirements, accounts receivable financing or other costs

Note 3 See Item 5 of this disclosure document for more information concerning the initial franchise fee

Note 4 ~~Hub Labs vary in size, ranging from 17,500 to 25,000 or more square feet, and may occupy single floors~~**A Lab consists of about 15,000** rentable square feet of commercial or retail space at the low end of the range, and about 25,000 or more rentable square feet of commercial office or retail space at the high end of the range. The actual yield of offices, meeting rooms and public areas will vary based on pre-existing conditions and design. **A Lab may occupy a single floor**, multiple floors, ~~parts~~**part** of ~~buildings~~**a building,** or **an** entire ~~buildings~~**building** The range in the chart represents estimated costs of leasehold improvements for a ~~17,500~~**15,000**-square-foot ~~Hub~~ Lab requiring improvements amounting to $5 per square foot above the landlord's tenant allowance on the low end of the range, to a 25,000-square-foot ~~Hub~~ Lab requiring substantial improvements amounting to $20 per square foot above the landlord's tenant allowance on the high end of the range Actual costs of improvements will vary, depending on various factors including the condition of the site you choose, the cost of architectural drawings, the local cost of contractors and the geographic location of the ~~Hub Lab~~ Lab

Note 5. The range in the chart represents the estimated cost for all computer hardware and related supplies necessary to begin operating the Lab, excluding software licenses, cloud services and the OASIS setup fee. See Items 6 and 11 for more information regarding these costs.

Note 6 The range in the chart represents the cost to install the IT infrastructure equipment required This includes, but is not limited to, items such as television monitors, routers, network switches, speakers, CCTV cameras, **Wi-Fi access points and an IT rack.**

Note 7. The range in the chart represents the cost to purchase, install and configure audio-visual hardware.

Note 8. The range in the chart represents the cost to purchase, install and configure access control hardware.

Note 9. The range in the chart represents the cost to purchase and install multi-function print capabilities (secure printing, scanning and copying).

Note 10. The range in the chart represents the cost to purchase, install and configure the Enterprise class network, Wi-Fi & VoIP hardware.

Norte 11. The range in the chart represents the cost to purchase the software and cloud licenses to run and operate the Enterprise technology and systems for use by the Lab, including but not limited to Office 365, billing system and CRM software.

Note 12. The $15,000 OASIS setup fee covers the cost of installation, Lab-specific configuration, and administration of Enterprise systems for the use by the Lab, including Member management, Resource management and Reservation, Sales and Catering, CRM tools, Enterprise communication and media repositories, social media presence, portal and message-boards, etc. The fee also covers the cost of supervising vendor installation activities and providing pre/post-opening support for the Lab staff.

Note ~~5 The range in the chart represents the estimated cost for all required computer hardware and software necessary to begin operating the Lab, excluding the OASIS setup fee See Items 6 and 11 for more information regarding these costs The range includes an estimated $1,000 to $5,000 that you may reimburse us for the reasonable travel-related expenses of our personnel who come to your Lab to oversee the installation, configuration and testing of OASIS~~

~~Note 6 The low estimated range in the chart represents the cost of the 1st month of equipment leasing (Estimated Low) The high estimated cost assumes the purchase of required communications equipment (including a telephone system and cabling) (Estimated High)~~

~~Note 7 The range in the chart represents the cost to install the IT infrastructure equipment required This includes, but is not limited to, items such as television monitors, routers, network switches, speakers, CCTV cameras, WiFi access points and an IT rack Note 8~~ **13.** The figures in the chart represent the estimated cost of leasing required furniture and fixtures for a ~~17,500~~**15,000**-square-foot Lab on the low end of the range to the estimated cost of purchasing furniture and fixtures for a 25,000-square-foot Lab on the high end of the range It includes the cost of furnishings for the administration area, reception area, furnished workspaces and conference rooms, lounge, and Lab Cafe The low end of the range assumes only the 1st month's payment in advance for a lease from a 3rd party leasing vendor at fair market value

Note ~~9~~ **14.** The figures in the chart represent the estimated cost of purchasing necessary equipment and office supplies (including printed materials, promotional materials and equipment) needed for the 1st 3 months of operating the Lab Also included are supplies for the Lab Cafe, such as plates, glass-ware and serving utensils These figures do not take into consideration equipment leasing alternatives

Note ~~10~~ **15.** The range in the chart represents the estimated cost of employing a person who will be responsible for the day-to-day management of your Lab (a franchise manager) and a person who will manage sales for your Lab for 2 months before opening (a sales manager) The high end of the range also includes a 3 month salary for you or a franchise manager and a sales manager

Note ~~11 The~~**16. These** training expense figures include travel, lodging and meal expenses for up to 3 trainees attending the initial part of our initial training program and for the person who will be responsible for the day-to-day management of the Lab to attend in-Lab training The high end of the range includes airline travel, and the low end of the range assumes land travel, to all training programs

Note ~~12~~ **17.** Pre-opening advertising expenses include the cost of pre-opening leasing and marketing activities for the Lab The actual costs will vary depending on your market and the cost of local media, prevailing market conditions, and your own skills and experience in marketing a business

Note ~~13~~ **18.** You will pay for business permits and licenses directly or through your contractors

Note ~~14~~ **19.** The figures in the chart represent estimated annual insurance premiums for the minimum limits of insurance coverage described in Item 8 Actual insurance premiums will depend on the location of the Lab, local market conditions, your previous loss experience and the previous loss experience of your insurance carrier

Note ~~15~~ **20.** We anticipate that you typically will operate the Lab from leased commercial space The range in the chart reflects estimated lease deposits for a Lab consisting of ~~15,500~~**about 15,000** square feet of commercial office or retail space on the low end of the range to **about** 25,000 square feet of commercial office or retail space on the high end of the range **The range in the chart does not reflect the actual rent due, generally monthly, for commercial leased space.** Actual rent will vary according to the size and

class of the space, geographic location, local market conditions, and the landlord's willingness to grant a tenant allowance for build out You should consult a real estate professional in your geographic area **about leased commercial space** before purchasing a **SERENDIPITY LABS** franchise Security deposits or other security requirements generally range from 2 months' rent to over 6 months' rent, depending on the creditworthiness of the tenant

Note ~~16 The range in the chart includes the cost of installation, Lab-specific configuration, and administration of Enterprise systems for the use by the Lab, including Member management, Resource management and Reservation, Sales and Catering, CRM tools, Enterprise communication and media repositories, social media presence, portal and message boards, etc It also includes supervising vendor installation activities and providing pre/post opening support for the Lab staff~~ **21** You may need these additional funds to operate the Lab during its initial phase of operation, which we estimate to be 6 months The range in the chart reflects **working capital that may be needed to operate the Lab during the initial phase to cover operating expenses, such as rent, payroll, marketing, supply and utility costs that may exceed start-up revenue. The range in the chart does not reflect any owner draw or salary. We believe that the range in the chart provides an accurate minimum estimate of the additional funds necessary for the 6-month initial phase. However, ongoing operating expenses beyond the initial phase, or abnormally high operating expenses during the initial phase, may require more additional funds, and you should not assume that the estimated additional funds will be sufficient for continued operation of the Lab beyond the initial phase. We cannot estimate how long it may take for your revenue to exceed your operating expenses, if ever. You should not assume that your revenue will exceed your operating expenses at the end of the 6-month initial phase or by the time your additional funds have been expended.**

~~Note 17 You may need these additional funds to operate the Lab during its initial phase of operation, which we estimate to be 6 months~~

Note ~~18~~ **22.** We have relied on our ~~14~~**26** years of experience in operating businesses of the type and similar to the type we franchise in arriving at our cost estimates These estimates may vary from location to location You should review these figures carefully, compare them with information you obtain from local sources, and then discuss your findings with a business or legal advisor before making a decision to purchase a SERENDIPITY LABS franchise

Development Agreement

(You should be able to enter into a development agreement with us for the following additional estimated initial investment.)

Type of Expenditure	Estimated Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Development Fee	$60,000-$180,000 (assuming you agree to develop 3-9 additional Labs after the 1st Lab, at $20,000 for each additional Lab)	Lump sum	On signing development agreement	Us

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, we do not require you to purchase or lease goods, services, supplies, fixtures, equipment, inventory or real estate for your Lab from us or any approved supplier

A FRANCHISE AGREEMENT

Products and Services

You must purchase or lease certain proprietary and non-proprietary products and services from approved suppliers, or from suppliers whose products and services meet our specifications Proprietary products and services may include, for example, certain software, fixtures, furnishings, equipment, artwork, supplies and business services

You must purchase or lease initial equipment and supplies in amounts that we recommend, to use our experience in the business and to provide proper initial planning, training, operation and record keeping You must purchase or lease computer hardware and software as described in Item 11 The initial equipment and supplies that must meet our specifications are identified in our Manuals

You must sign a license with our parent company, SLI, to use OASIS SLI is the only supplier of this system See Exhibit G to this disclosure document One of our officers ~~owns a controlling~~**has an ownership** interest in SLI You will receive support services for OASIS from our affiliate, SLM SLM is wholly-owned by SLI

If you want to receive management services for your Lab from SLM going beyond its support services for OASIS, and if SLM is available and agreeable to providing the management services, you must sign a management agreement (attached as Exhibit H), and must pay the management fees due under that agreement

We ~~may~~**will** require you to purchase or lease certain products or services from other approved suppliers There are no approved suppliers, other than SLI, in which our officers ~~own interests These suppliers must continue to demonstrate the ability to meet our then-current specifications for applicable products and services, and must possess adequate quality controls and capacity to supply your needs promptly and reliably~~ **have any ownership interests.**

We have developed our specifications based on management experience in operating similar businesses in the United States and through research and testing We communicate our specifications directly to you through our Manuals, and provide our specifications to the approved suppliers

If you want to purchase, lease or use any ~~products~~**product** or ~~services~~**service** from an unapproved supplier, you or the supplier must submit to us a written request for approval Our criteria for supplier approval are not available to franchisees In evaluating a proposed supplier, we may inspect and test the supplier's products, services and facilities, with the testing done by us

or by an independent laboratory With respect to business services (such as office, telecommunications and computer services), we may elect to have access to, receive and test a proposed supplier's services We may, at our option, periodically re-inspect any supplier's products, services and facilities, and may revoke our approval of any supplier if it fails to continue to meet our then-current criteria We may approve or deny any request in our discretion

We have formulated specifications for products and services, and they are in our Manuals We may modify these specifications on reasonable written notice to you We may consider your written request for modification or waiver of a specification, if you explain the reasons for the requested modification or waiver and provide us with sufficient information to enable us to evaluate your request We are not contractually required to consider any request for modification or waiver of a specification As to any request we consider, we may approve or deny the request in our discretion

For any of the above requests, we may charge you a reasonable fee for any related inspection or testing If our personnel are required to travel to perform any related inspection or testing, you must pay their reasonable out-of-pocket expenses, plus our then-current per diem charges We will attempt in good faith to notify you in writing of our approval or denial of any request within 30 days after we receive your written request and all related information If we revoke an earlier approval in our discretion, we will also notify you in writing

Revenue to Us

We will derive revenue from your purchases and leases to the extent that you purchase and lease products or services directly from us SLI and SLM, our affiliates, will derive revenue from your and other franchisees' use of OASIS**, use of SLM's management services, and purchase of furniture and equipment** We currently have agreements with certain contractors, architects, and suppliers of certain furniture, fixtures, carpeting, signage, equipment, coffee and vending machines, artwork, software, supplies and business services, under which we receive periodic rebates of up to 10% of franchisee purchases or leases We also receive more than a 10% rebate from a telephone long distance carrier based on franchisee purchases of long distance service

In ~~2017~~**2018** we ~~had no~~**received $196,316 in** revenue from **our** franchisees' purchases ~~or leases from us, and had~~**of furniture from us, which was about 12% of our total audited revenue of $1,593,677; we received** no revenue from suppliers based on purchases or leases by our franchisees from the suppliers, our parent, SLI, ~~and~~**received $432,167 in revenue from OASIS fees paid by our franchisees,** our affiliate, SLM, received ~~$164,119~~**1,726,243** in revenue from **management fees paid by our** franchisees' ~~purchases or leases (for mandatory OASIS fees, and for optional Lab management fees),~~**, and our parent, SLI,** and our affiliate, SLM, received ~~$7,982 in~~**no** revenue from suppliers based on purchases or leases by our franchisees from the suppliers ~~(commissions on phones installed at franchised Labs)~~ **.**

Site Selection Criteria

You must find a site for your Lab that meets our site selection criteria within 6 months after signing the franchise agreement We will not unreasonably withhold acceptance of any site that meets the Standards relating to demographic characteristics, including traffic patterns, parking, predominant character of the neighborhood, competition from other businesses providing similar

services in the area, proximity to other businesses, nature of other businesses in proximity to the site, and size, times open to the public, appearance and other physical characteristics of the site Our acceptance of a site is not a representation or warranty that your Lab will be profitable or that your revenues will attain any predetermined levels Acceptance is intended only to indicate that the proposed site meets our minimum criteria for identifying sites You agree that our acceptance or non-acceptance of a proposed site does not impose any liability on us

Lease of the Site

You must locate, and you must lease, sublease or purchase, the site for your Lab If you lease the site for your Lab from a 3rd party, you must provide us with a copy of the lease, and we have the right to approve the lease before it is signed Any lease must include the Lease Rider attached as Attachment 4 to the franchise agreement or equivalent provisions in place of the Lease Rider that we approve You must agree not to modify the lease in any way that would adversely affect our rights without our written approval

Maintenance and Repairs

You must maintain your Lab so that it meets the Standards relating to sanitation, repair, appearance, condition, security and other matters You must make additions, alterations, repairs and replacements to your Lab (but no others without our written consent) as reasonably required for that purpose, including periodic repainting, changes in appearance, upgrades and repairs to equipment, and replacement of obsolete signs as we reasonably direct

Renovation and Upgrading

You must abide by our requirements on alterations, remodeling, upgrading or other improvements to your Lab to achieve the strategic marketing goals of the SERENDIPITY LABS system The requirements will not exceed those applicable to new franchised and affiliate-owned Labs, and will not generally occur more frequently than every 3 years for minor upgrades costing $50,000 or less, and not more frequently than every 7 years for major upgrades costing more than $50,000, unless your Lab is subject to unusual wear and tear You will be responsible for the cost of changes or additions

Design Specifications

We will lend to you specifications of our requirements for design, decoration, layout, equipment, furniture, fixtures and signs for your Lab These items ~~may~~**must** be purchased **or leased** from ~~any~~ approved **suppliers, unless we approve a different** supplier

Insurance

You must obtain and maintain insurance coverage with the minimum limits that we specify We currently require you to carry general liability insurance with minimum policy limits of $1,000,000 per occurrence and $2,000,000 in the aggregate, providing coverage of at least $1,000,000 for advertising, personal or product injury liability, and $300,000 for fire damage and legal liability You also must maintain "All Risks" property damage insurance, including earthquake and flood insurance, insurance coverage for building and leasehold property according to applicable lease terms, insurance coverage for personal property, office contents, fixtures,

fittings at replacement value, insurance coverage for improvement and betterments at replacement value or reinstatement cost (as required by applicable lease requirements), and business interruption insurance in an amount equal to two times estimated annual Gross Revenue You also must maintain a blanket employee dishonesty policy with minimum policy limits of $25,000, coverage for money and securities on and off premises with minimum policy limits of $2,500, and ERISA Fidelity coverage, where appropriate If you own or lease a vehicle, you must maintain automobile liability insurance with minimum policy limits of $1,000,000 combined single limit per occurrence, $5,000 medical expense, and $1,000,000 hired and non-owned vehicle liability, UM and UIM coverage as required by the state in which the Lab is operated, and property damage insurance as required by automobile lessors or lenders You also must maintain workers' compensation insurance as required by the state in which the Lab is operated, an employer's liability policy with a minimum limit of $1,000,000 that includes coverage for "joint employer," "agency" and "ostensible agency" liability, and an umbrella policy with a minimum limit of $1,000,000 You must maintain "Builder's Risk" insurance in connection with any construction, renovation, refurbishment or remodeling of Lab premises These figures represent mandatory minimum limits of coverage There is no assurance that these limits will provide adequate protection against loss

At least 10 days before you open your Lab or begin any leasehold improvements, you must furnish us with a certificate of insurance issued by an approved insurance company showing compliance with the insurance requirements and a paid receipt showing the certificate number Each certificate of insurance must include a statement by the insurer that the policy will not be canceled, subject to non-renewal or materially altered without at least 30 days' written notice to us All insurance policies, except workers' compensation policies, must contain separate endorsements naming us and our affiliates as additional insureds, and must be written by responsible carriers acceptable to us On our request, you must provide us with copies of all insurance policies You must provide us with then-current certificates of insurance when the franchise agreement is executed and annually thereafter

Any signs, logos, emblems or pictorial materials used for your Lab must meet our specifications

See Item 11 for specifications on computer systems and advertising

Magnitude of Required Purchases or Leases

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate your Lab

	% of Total to Establish	% of Total to Operate
Purchases/leases from us (initial franchise fee)	15% to 20%	15% to 20%
Purchases/leases from approved suppliers	80% to 90%	85% to 90%
Purchases/leases under our specifications	85% to 90%	85% to 90%

We do not provide you with any material benefits based on your purchase of particular products or services, or your use of approved suppliers As of the date of this disclosure document, there are no purchasing or distribution cooperatives in existence with respect to the

SERENDIPITY LABS system We are in the process of negotiating purchase arrangements with certain suppliers which we anticipate will be beneficial to our franchisees

B , DEVELOPMENT AGREEMENT

You must purchase or lease certain products and services under the franchise agreement signed for each Lab developed under a development agreement As a developer, however, you are not otherwise obligated to purchase or lease any service or product from us or any approved supplier

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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 Franchise Agreement or Other Specified Agreement*	Section in Development Agreement	Item in Disclosure Document
a Site selection and acquisition/lease	4, MA Recital B, 4 1(n), 13 2, Ex A, Ex B	Not applicable	8 and 11
b Pre-opening purchases/leases	4 4, 4 5, 8 2, 8 3, 8 5, 8 7, 8 9, 11 2, 15 1, MA 3 2, 4 1, 10 1(c)	Not applicable	5, 6, 7, 8, 11
c Site development & other pre-opening requirements	4, MA 4 1, 10 1(c)	7	8, 11, 12
d Initial & ongoing training	8 5, 13	Not applicable	11
e Opening	4 8, MA 4 1	Attachment 5	7, 8, 11
f Fees	4 3, 7, 8 1, 8 7(c)(d), 8 8(a), 11 2, 12, 13 2, 13 3, 13 4, 14 1, 14 3, 14 4, 14 5(a), 14 8(c), 15 4, 19 4, 26 14, A 1, A 7, LOI Ex A, MA 4 3(c), 10 1, 10 2, 10 3, 12 3, 12 4, 12 8, 15 1, Sch 10 1(a)	8, 14 18	5, 6, 7, 8
g Compliance with standards and policies/Operations Manual	Recitals, 4 1, 4 6, 4 7, 8 1, 8 2, 8 3, 8 4, 8 5, 9, 14 6, 14 9, MA 1 1, 4 1	Recitals	8, 11, 14, 15
h Trademarks and proprietary information	9, 10, 16, 24 2, 24 4, 24 6, MA 17 9	Recitals	13, 14
i Restrictions on products/services offered	8 4, 11, 12, MA 4 1	Not applicable	8, 16
j Warranty and customer service requirements	8, 22 3	12 3	16
k Territorial development and	3	3, 6 2	12

Obligation	Section in Franchise Agreement or Other Specified Agreement*	Section in Development Agreement	Item in Disclosure Document
sales quotas			
l Ongoing product/service purchases	8 2, 8 3, 8 4, MA 4 1(f)	Not applicable	8
m Maintenance, appearance and remodeling requirements	8 1	Not applicable	8,11, 17
n Insurance	15, MA 11 1	Not applicable	5, 8
o Advertising	14, MA 17 9	3 2(a) (h) (k)	6, 8, 11
p Indemnification	16 4, 18 1, 21, 25 5, MA 5 1, 12 5, 15 1, 16 1, 16 2	11	6, 8, 13
q Owner's participation/ management/staffing	6 1, 6 2, 8 5, MA 3 1, 4 3	7 1	11, 15
r Records and reports	14 5(b), 19, MA 4 5, 8 1, 8 2, Ex B	Not applicable	15
s Inspections and audits	19 4, 19 6, MA 4 5, 8 1	Not applicable	6, 11
t Transfer	20, MA 12 3, 14 1, 14 2	10	17
u Renewal	5 2, MA 2 1	Not applicable	17
v Post-termination obligations	24, MA 5 1,8 1(b), 12, 16 1, 16 2, 17 9, 17 19	13 5	17
w Non-competition covenants	10 2, MA 17 18	9 2	17
x Dispute resolution	25 6, 25 7 and 25 9, MA 17 12	14 2 – 14 12	17

*A – Attachment, Ex – Exhibit, LOI - Letter of Intent, MA - Management Agreement, Sch - Schedule

Item 10

FINANCING

Neither we nor any affiliate offers direct or indirect financing, or guarantees your notes, leases or obligations

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

A FRANCHISE AGREEMENT

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

Before you open your business, we will provide you with

(1) Evaluation of your request for site acceptance, and acceptance of a site that meets our criteria (Franchise Agreement, Section 4 1)

(2) Prototypical plans and specifications for the build-out, internal layouts, signs, fixtures and furniture for a prototypical Lab (Franchise Agreement, Section 4 6)

(3) An initial training program for you and your principals (Franchise Agreement, Section 13 1)

(4) Copies of our Manuals We may amend the contents of our Manuals at any time (Franchise Agreement, Sections 9 1 and 9 2) The Tables of Contents of our Manuals are in Exhibit L

During the operation of your business, we or our designee will

(1) Provide additional training for your principals (Franchise Agreement, Section 13 3)

(2) Administer the National Marketing Support Fund, and make available an unaudited accounting of Fund expenditures (Franchise Agreement, Section 14 4)

(3) To the extent that we develop new and improved methods of operating the Lab, make such improvements, additions, modifications and innovations available to you (Franchise Agreement, Section 17 1)

(4) Recommend prices for products and services that you sell, and sometimes establish price and non-price incentives for corporate account clients (Franchise Agreement, Sections 11 3, 12 and 14 7)

(5) Establish administrative, bookkeeping, accounting and inventory control procedures that you must follow, some of which procedures will be programmed into OASIS (Franchise Agreement, Sections 8 1 and 8 3)

(6) Provide management services for the Lab, if our affiliate, SLM, is available and agreeable to providing the services, and if you sign a management agreement with SLM (Management Agreement, Exhibit H)

Advertising and Promotion

National Marketing Support Fund

We have established a National Marketing Support Fund ("Fund") You must contribute 2% of Gross Revenue to the Fund All franchisees are required to contribute to the Fund at the same rate Affiliate-owned Labs are not contractually required to contribute to the Fund

We maintain and administer the Fund We direct all advertising programs produced using the Fund, and have the discretion to approve or disapprove the creative concepts, materials, and media used in the programs, the placement of advertisements, and the allocation of the money in the Fund to production, placement and other costs We have not received payment, but may receive payment, for providing goods or services to the Fund

The advertising programs produced using the Fund may consist of direct marketing, in-Lab marketing, public relations, ~~internet~~**Internet** advertising or other media, and may involve local, regional or national media coverage The programs may be created by our in-house advertising department or by outside advertising agencies

We are not required to spend any amount on advertising in the area where the Lab is located There is no assurance that the Lab will benefit directly or on a pro rata basis from Fund expenditures Fund contributions will be spent in the year that they are received and Fund surpluses, if any, will carry forward to the following year There is no requirement that the Fund be audited, but we will prepare annually an unaudited statement of Fund expenditures, and will provide you a copy of the statement at your request We do not anticipate that any part of Fund contributions will be spent on advertising that is principally a solicitation for the sale of franchises, but we have the right to include in all advertising prepared from Fund contributions (including ~~internet~~**Internet** advertising) information concerning franchise opportunities

In ~~2017,~~**2018,** the Fund collected ~~$83,375~~**170,925** from franchisees, which was spent ~~100~~**50**% for production (advertising and public relations), ~~0~~**50**% for media placement, 0% for administrative expenses, and 0% for other expenses The Fund spent 0% for advertising principally soliciting the sale of franchises

Local Advertising

You must submit to us, for our approval, all media and materials to be used for local advertising, unless the media and/or materials have been approved before or unless we provided the materials All materials containing our proprietary marks must include the designation we specify If you do not receive written or oral disapproval of any materials submitted within 10 days from the date we receive the materials, the materials are approved We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising Your submission of advertising for approval does not affect your right to determine the prices at which you sell your products or services

You must include in any significant display advertisements and in marketing materials for your Lab, in conformance with the Standards, a notice that your Lab is individually owned and operated Subject to any legal restrictions, you also must display or make available in your Lab reception area marketing materials that we provide to you about the purchase of Lab franchises, but you have no responsibility or authority to act for us in franchise sales

You must spend at least 2% of your annual Gross Revenue on local advertising If other Labs are located in your area, you must participate in any local advertising cooperative that we establish or cause to be formed, if we require your participation Your participation may involve, for example, paying your pro rata share of the cost of any white pages, yellow pages, ~~internet~~**Internet** or other advertising placed on behalf of you and other local Labs You may not solicit business outside your territory through the use of a toll-free number, direct mail, catalogue sales, telemarketing, the Internet or any other advertising method, without our prior written approval

You may have as many telephone numbers and telephone directory listings for the Lab as you choose, and we will assign "Serendipity Lab" email addresses for your franchised business ("listings") We will own all rights to the listings, and you must transfer them to us on the expiration, termination, repurchase or transfer of the franchise, at your expense You must sign an authorization that grants us the right to change, transfer or terminate your listings on your behalf on expiration, termination, repurchase or transfer of the franchise (see Attachment 9 to the franchise agreement)

On our website, we will provide you with a standard listing that promotes your location You may not establish your own website

We may form 1 or more local advertising cooperatives, and may change, dissolve or merge the cooperatives, in our discretion We may define the areas and memberships of cooperatives, and may require you to contribute up to 2% of your annual Gross Revenue to any cooperative covering your local area All Labs owned by franchisees located within a local area covered by a cooperative will contribute to the cooperative on the same basis, and any Labs owned by us or our affiliates that are located within a local area covered by a cooperative will contribute to the cooperative on the same basis as Labs owned by franchisees within the local area contribute to the cooperative We will administer each cooperative, and each cooperative will operate according to governing documents that we prescribe Sample governing documents are not currently available for review If a cooperative is formed, its governing documents may require it to prepare annual or periodic financial statements, and may require the financial statements to be made available for review by its members

Franchisee Council

We have ~~not~~ formed a franchisee council to advise us on advertising policies and other matters We ~~may form a council sometime in 2018 When we form a council, we~~ will determine how members are selected, and we ~~will~~ retain the right to change or dissolve the council The council ~~will serve~~**serves** in an advisory capacity only, and ~~will~~**does** not have operational or decision-making power

Computer Software and Hardware

Our proprietary computer software and hardware platform, known as OASIS, incorporates licensed 3rd party software and proprietary systems We may change OASIS periodically Currently, OASIS includes mandatory modules that support operations-related functions, such as account processing, accounting, administration, business intelligence gathering and analysis, client relationship management ("CRM"), distribution, financial management, interactivity, inventory control, member management, order tracking, pricing, reservations, sales, and other functions we consider necessary to the operation of the Lab You must use those mandatory modules OASIS is linked to a "cloud-based" communications network which connects the Lab to our services Because of its proprietary elements and implementation, our parent, SLI, is the only supplier of OASIS

Currently, OASIS does not include any modules that support personnel-related functions, such as employee timekeeping, employee scheduling and payroll processing If those types of modules are ever included in OASIS, they will be non-mandatory You will be permitted to use those non-mandatory modules on terms we specify, or you will have the right to use alternate software of your choosing to handle personnel-related functions or to handle personnel-related functions in any other manner that you choose

OASIS also includes specific hardware required to operate the proprietary software In our discretion, we may change the way in which the OASIS data is delivered to the Lab in our sole judgment as changes are made to the architecture of OASIS You must pay SLI an OASIS setup fee of ~~$10,000 for a Standard Lab or $15,000 for a Hub Lab, plus $100 per user for OASIS enterprise cloud services setup~~ **15,000** In addition, you must reimburse us for the reasonable travel-related expenses of our personnel overseeing installation, configuration and testing You must provide (at your cost) the communications vehicles necessary for the support and operation of OASIS, currently including wide area network connections to the reservations service, electronic mail and ~~internet~~**Internet** via our converged OASIS connectivity and/or on-line connections, routers, and CSU/DSU equipment You must pay the fees that are assessed by 3rd party vendors for OASIS connectivity installation services We estimate that the 3rd party vendor fees will range from $15,000 to $30,000 (including any rescheduling or cancellation fees)

About 90 to 120 days before your Lab opens, you must sign the license agreement for OASIS, which will govern your access to and use of OASIS The current OASIS Platform Services Agreement is Exhibit G to this disclosure document If you add or expand your Lab at any time after you sign the franchise agreement or OASIS Platform Services Agreement, you must pay us for any an additional software setup services, including possibly a $2,000 rescheduling fee and our representatives' additional travel expenses

You must use all computer software (including future updates, upgrades and enhancements) that we prescribe for use by our franchisees There are no contractual limitations on either the frequency or cost of such updates, upgrades and enhancements, with the exception that you will not be charged for optional or required maintenance, updating, upgrading or support of OASIS beyond the monthly OASIS Operational Support Fee We will have independent access to all information input into our web-based software applications and our main servers There is no contractual limitation on our right to access this information

The total cost of the computer hardware and software ranges from $6,600 to $8,500, plus $9,600 to $70,000 for the cost of leasing or purchasing required communications equipment (including a telephone system and cabling) based on the size of the Lab and the number of workstations

Software licenses and cloud services cost about $600 to $750 per month, and Internet bandwidth and network, Wi-Fi, and VoIP management services cost about $3,750 to $6,000 per month These amounts are payable to 3rd parties

Manuals

The tables of contents of our Manuals are in Exhibit L Our Pre-Opening Manual has a total of 91 pages, and our Operations Manual has a total of 278 pages

Training

You will receive the following training before you open your Lab

TRAINING PROGRAM

Subject	Number of Hours		Location
	Classroom	On-the-Job	
Vision, Mission, Client Value Proposition	8		Stamford, CT, **or Rye or Manhattan, NY**
Membership Plans, Service Packages, Products and Pricing	4	4	Stamford, CT, **or Rye or Manhattan, NY, or on location**
Daily Procedures, Facility Management and Standard Furniture Configurations	4		Stamford, CT, **or Rye or Manhattan, NY**
Devices and Equipment, Internet, Telephones, Security Systems, Audio, Video	4	4	Stamford, CT, **or Rye or Manhattan, NY, or on location**
Membership Sales Process, Inquiry Management, Event Sales Process	6	2	Stamford, CT, **or Rye or Manhattan, NY, or on location**
New Member Administration, Credential Management, Member Management System	4	4	Stamford, CT, **or Rye or Manhattan, NY, or on location**

Subject	Number of Hours		Location
	Classroom	On-the-Job	
Specialized Training (by position), Legal/Regulatory	4	4	Stamford, CT, **or Rye or Manhattan, NY, or on location**
Performance Benchmarking & Financial Management	4		Stamford, CT, **or Rye or Manhattan, NY**
Marketing Memberships and Events, Outside Sales	8		Stamford, CT, **or Rye or Manhattan, NY**
Financial Management	4	4	Stamford, CT, **or Rye or Manhattan, NY, or on location**
Review and Testing	4	4	Stamford, CT, **or Rye or Manhattan, NY, or on location**
TOTAL	54	26	

Note 1 The hours devoted to each subject are estimates only and may vary substantially based on how quickly trainees grasp the material, their previous experience with the subject, and scheduling The entire training program is subject to change, due to changes in materials, the Standards, our Manuals and personnel, without notice to you The on-the-job training will be conducted at a Lab location we designate

Note 2 If initial training is not completed to our satisfaction by your principals or any other person, we may require you to designate a replacement for such person

Our initial training program currently consists of 2 parts The 1st part of our training programs lasts for approximately 10 days over a 2-week period and is held in Stamford, Connecticut, or other place that we designate (See table above) The 1st part of initial training generally begins 6 to 10 weeks before you open for business After successful completion of the 1st part of training and before you open for business, the person who will be responsible for the day-to-day management of the Lab must attend 2 weeks of in-Lab training at a franchised Lab or affiliate-owned Lab of our choice, where that person will receive training in managing day-to-day Lab operations

The 1st part of the training program is required for your principals We also encourage, but do not require, you to attend initial training Each trainee who attends the 1st part of initial training will need to bring a laptop computer The 2nd in-Lab part of training is required only for the person who will manage the day-to-day operation of the Lab We do not charge you for initial training

unless you send more than 3 trainees (see Item 6), but you are responsible for all training-related expenses for all trainees, including salary, benefit, travel, lodging and meal expenses Currently, we do not charge a fee for training-related materials in connection with our initial training program

Our training program is supervised by Michael Johnston, our Vice President of Operations Our other trainers are John Arenas, our President, **and** Vinay Kantak, our Vice President of Platform Services~~ and Rachel Damato, our Director of Training and Performance~~ Mr Johnston has ~~16~~17 years of experience with the subject matter and 4**5** years with us, Mr Arenas has ~~25 years of experience with the subject matter and 6 years with us, Mr Kantak has 16 years of experience with the subject matter and 4 years with us and Ms Damato has 7~~**26** years of experience with the subject matter and 4**7 years with us; and Mr. Kantak has 17** years of experience with the subject matter and **5** years with us We use our Manuals and other copyrighted materials as the basis for instruction

Each year at our option, we may schedule a regional or national conference You (or your managing shareholder, partner, or member) must attend this conference The focus of the conference generally will be discussion and review of new business and marketing trends and methods At our option, we may charge you a reasonable registration fee based on a proportionate share of our out-of-pocket costs for each annual conference

We may require your principals to attend additional training programs and seminars that we may offer periodically We may impose a reasonable registration fee for the additional training programs and seminars You will be responsible for all training-related expenses incurred by those personnel attending the training programs, including salary, benefit, travel, lodging and meal expenses

If any of your principals is replaced during the franchise term, each replacement person must attend and satisfactorily complete the initial training program Each person who will be responsible for the day-to-day operation of the Lab also must attend and satisfactorily complete the in-Lab part of the training program described above There is no additional charge for the in-Lab training, but you will be responsible for each trainee's salary, benefits, and travel, lodging and meal expenses during such training

Site Selection

Initially, if the site for your Lab is not described in Attachment 1 to the franchise agreement when you sign it, we approve an interim reserved area within which you must locate a site for your Lab We will assist you in evaluating proposed sites based on information that you provide to us and on other information that we consider relevant We may, but we are not required to, visit proposed sites with you You may not sign a lease for a proposed site until you have submitted a copy of the lease to us and received our written approval We will accept or not accept a proposed site (within 30 days after you propose it in writing with appropriate documentation as stated in our Manuals) based on factors such as neighborhood, traffic patterns, access, parking, size, layout, length of availability, the terms of any proposed lease, sublease or purchase contract, and other factors If we do not accept a proposed site, you must locate another site If you do not locate a site acceptable to us within 6 months after you sign the franchise agreement, unless prevented from doing so by a force majeure event, we may terminate the franchise Your acquisition of any proposed site before our acceptance of the site will be your sole risk and responsibility, and will

not obligate us in any way to accept the site Our acceptance of a proposed site is not in any way our warranty or representation as to the suitability of the site for a Lab

Opening of Lab

We estimate that you will begin operating your Lab within about 6 to 9 months after the date you sign the franchise agreement Factors which may affect this time period may include the time necessary to locate an acceptable site, to negotiate a lease, to obtain financing (if necessary), to obtain permits and licenses necessary to construct and operate the Lab, to complete construction or remodeling, to complete the preparation of the interior of the Lab (including decorating, and purchasing and installing fixtures, equipment, signs and landscaping), and to complete training

If there is no development agreement, and if the site for your Lab is described in Attachment 1 to the franchise agreement when you sign it, you must open your Lab within 6 months after you sign the franchise agreement If there is no development agreement, and if the site for your Lab is not described in Attachment 1 to the franchise agreement when you sign it, you must open your Lab within 12 months after you sign the franchise agreement If there is a development agreement, you must open your Lab by the opening deadline specified in Attachment 1 to the development agreement If you fail to open your Lab within any of these time periods, unless prevented from doing so by a force majeure event, we may terminate the franchise

B DEVELOPMENT AGREEMENT

Under the development agreement, we grant you the right and license to develop and operate a stated number of Labs in a stated geographic area We have no pre-opening, site-selection, training, opening or post-opening obligations under the development agreement

When you sign a development agreement, you also sign our current form of franchise agreement for your 1st Lab (as modified by any negotiated revisions), which will specify the 1st Lab's location and protected territory Before you open each additional Lab, you must sign a franchise agreement for the additional Lab, which will specify the location and protected territory of the additional Lab If the location of the additional Lab is not specified in the development agreement, we will approve or disapprove your proposed location based on the Standards for evaluating locations

Item 12

TERRITORY

A FRANCHISE AGREEMENT

Under a franchise agreement, you have the right to establish and operate 1 Lab within an assigned area ("Assigned Area") at a location that is mutually acceptable to us You may not relocate the Lab without our prior written consent If the lease for the Lab premises expires, or you lose possession of the Lab premises as a result of a Force Majeure event (as that term is defined in the franchise agreement), we will permit you to relocate the Lab within the Assigned Area, provided that your proposed relocation site does not violate the territorial protection afforded to another Lab franchisee and your operation of the Lab at the proposed site would not, in our sole

judgment, adversely affect the operation of another Lab Relocation must be accomplished, and the Lab must be re-opened for business (i) within 180 days of closing the existing Lab (if relocation was due to a Force Majeure event), or (ii) on the next business day following closing (if relocation was due to the expiration of your lease)

You will not receive an exclusive territory, but if you are establishing a new Lab (and not converting an existing facility to a Lab), you will receive a protected territory in that we will refrain operating, or granting a franchise for the operation of, another Lab within a protected territory surrounding the Lab (the "Territory"), subject to our reserved rights described below

The Territory generally will be identified by street or natural boundaries in Attachment 1 to the franchise agreement, and will be determined based on factors such as location, population, demographics and number of workspaces You may face competition from other franchisees or developers, from outlets that we own, or from other channels of distribution or competitive brands that we control

If you are a developer and propose to open an additional Lab at a location for which no protected territory is specified in the development agreement, we will grant a protected territory for the additional Lab based on our then-current Standards for designating protected territories

You are not restricted in terms of the clients to whom you may sell approved products or services, but you may not solicit business outside the Territory through the use of a toll-free number, direct mail, catalogue sales, telemarketing, the Internet or any other advertising method, without our prior written approval

We reserve the rights, for ourselves and our affiliates, to

(a) Establish**, acquire** and operate, and grant others the right to establish**, acquire** and operate, Labs or competitive businesses at sites outside the Territory, including sites near the Territory's boundaries, and otherwise offer and sell SERENDIPITY LABS products and services outside the ~~Protected~~ Territory~~,~~**.**

(b) Establish and operate, and grant others the right to establish and operate, Private SERENDIPITY LABS businesses (i) outside the Territory without offering or granting you any rights in those businesses, or (ii) ~~inside the Territory,~~**within the Territory, subject to us presenting to you, at least 120 days before opening, reliable and industry-standard documentation showing that any Private SERENDIPITY LABS business to be opened within the Territory will be unlikely to cause a 10% or greater decline in the Gross Revenue of the Lab, and** subject to giving you the right of first refusal to operate ~~those businesses inside~~**the Private SERENDIPITY LABS business within** the Territory**,** if you and your affiliates are in substantial compliance with the franchise agreement and all other agreements with us~~,~~**.**

(c) Establish and operate, and grant others the right to establish and operate, Limited Access SERENDIPITY LABS businesses (i) outside the Territory without offering or granting you any rights in those businesses, or (ii) ~~inside the Territory,~~**within the Territory, subject to us presenting to you, at least 120 days before opening, reliable and industry-standard documentation showing that any Limited Access SERENDIPITY LABS business to be opened within the Territory will be unlikely to cause a 10% or greater decline in the**

Gross Revenue of the Lab, and subject to giving you the right of first refusal to operate ~~those businesses inside~~**the Limited Access SERENDIPITY LABS business within** the Territory**,** if you and your affiliates are in substantial compliance with the franchise agreement and all other agreements with us~~;~~**.**

(d) On our acquisition or merger by or with another entity operating businesses offering similar products and services, continue to offer, operate or grant others the right to establish and operate, through the resulting entity, similar businesses offering similar products and services under different trademarks within or outside the Territory, subject to offering you the first right to operate any new similar business to be located within the Territory (as described below), but without offering or granting you any rights as to any businesses then located within the Territory or as to any businesses then located or to be located outside the Territory If you are in substantial compliance with your obligations under the franchise agreement, if the resulting entity offers franchises for the similar business, and if you meet the resulting entity's then-current criteria and qualifications for new franchisees of the similar business, the resulting entity will offer you the first right to operate any such other business to be located within the Territory To exercise this right, you must sign the resulting entity's then-current form of franchise agreement for each similar business to be located within the Protected Territory, **as modified by revisions that are substantially similar to any revisions to the franchise agreement that you have negotiated,** and must deliver the signed franchise agreement to the resulting entity, together with payment of the initial franchise fee due under the franchise agreement, within 60 days after the date you receive the resulting entity's then-current franchise disclosure document If you are not in substantial compliance with the franchise agreement, if the resulting entity does not offer franchises for the similar business, if you do not meet the resulting entity's then-current criteria or qualifications for new franchisees of the similar business, or if the resulting entity offers you the first right to operate and you fail to exercise the right, (i) the resulting entity or an affiliate of the resulting entity will have the right to operate any similar business to be located within the Territory, or to grant a third party the right to operate any similar business to be located within the Territory, without offering you any additional rights or paying you any compensation, and (ii) you will have the right, on 60 days' prior written notice to us, to terminate the franchise and convert the Lab to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If you terminate the franchise in accordance with the foregoing sentence, we, you and your principals will have various post-termination obligations and rights~~;~~**.**

(e) Operate or conduct, and grant others the right to operate or conduct, Other Brand Businesses (i) outside the Territory, without offering or granting you any rights in those businesses, or (ii) ~~inside the Territory,~~**within the Territory, subject to us presenting to you, at least 120 days before opening, reliable and industry-standard documentation showing that any Other Brand Business to be opened within the Territory will be unlikely to cause a 10% or greater decline in the Gross Revenue of the Lab, and** subject to giving you the right of first refusal to operate ~~any new~~**the** Other Brand Business~~ to be located~~ within the Territory, if you and your affiliates are in substantial compliance with the franchise agreement and all other agreements with us and our affiliates~~;~~**.**

(f) Develop, license or franchise other systems, different from the SERENDIPITY LABS system, involving non-competitive products or services under different trademarks, within or outside the Territory, without offering or granting you any rights under those systems~~;~~**. You acknowledge that a "retail-focused brand" unit (i e. a business that offers its**

goods and services solely for sale at retail) which is situated in a "retail environment" (i.e in a shopping center or shopping mall composed of only retail use tenants), which has less than 10,000 total useable sf and less than 1,000 sf of dedicated offices or workstations, is deemed to be a unit in a system involving only non-competitive products or services

(g) ~~Promote, provide, offer~~ **Advertise** and ~~sell~~**promote**, and grant others the right to **advertise and** promote, provide, ~~offer and sell~~**anywhere in the United States, including within the Territory**, SERENDIPITY LABS products and services through ~~alternative distribution channels~~**directed communications** (including ~~the Internet and similar electronic media or mail order channels~~**for example, Internet ads, emails, mailings, meetings, and/or telephone calls**), local, national and international media, and/or collective marketing programs, including national programs or Corporate Account Programs, subject to you being permitted to participate, on **non-discriminatory** terms and conditions that we ~~deem appropriate, in such channels and/or programs for such channels and/or programs, or to provide products or services directly to any customers~~**establish in any business** generated ~~by such channels~~ and/or **in such national** programs~~, whether such customers are clients of SERENDIPITY LABS businesses, and whether they are located within or outside the Territory,~~ **or Corporate Account Programs.**

(h) Advertise and promote ~~sales of or franchises for~~**, and grant others the right to advertise and promote, anywhere in the United States, including within the Territory, the sale of** SERENDIPITY LABS businesses **and SERENDIPITY LABS franchises** generally~~, at any locations, including locations within the Territory,~~.

(i) Operate one or more websites on the Internet**,** or ~~operate on any type of~~**participate on one or more** social media **sites,** that advertise the Lab, allow clients and prospective clients to make reservations at SERENDIPITY LABS businesses (including ~~franchised businesses), or permit~~**the Lab, subject to the terms of the franchise agreement), or promote** other **commercial** activities ~~(whether or not similar)~~, even though the ~~website is~~**websites and/or social media sites are** accessible to or viewable by persons within the Territory~~;~~.

(j) Acquire one or more existing facilities within the Territory offering products and services that are similar to SERENDIPITY LABS products and services (whether or not those facilities opened before or after the Lab), provided that the acquisition is part of a transaction contemplating the acquisition of 3 or more facilities from a single seller, and continue to operate those facilities under different trademarks, but possibly associated using OASIS, pending resolution of the first right to operate procedure described below If you are in substantial compliance with your obligations under this Agreement, and if you meet our then-current criteria and qualifications for new SERENDIPITY LABS system franchisees, we will offer you the first right to operate all such facilities located within the Territory as franchised SERENDIPITY LABS businesses To exercise this right, you must sign our then-current form of franchise agreement for each such facility located within the Territory, as modified by revisions that are substantially similar to any revisions to the franchise agreement that you have negotiated, and must deliver such signed franchise agreement to us, together with (i) payment of the initial franchise fee due under the franchise agreement, and (ii) a signed purchase agreement for all such facilities located within the Territory in a form we provide at a purchase price equal to the purchase price paid by us or our affiliate for the facility (for example, a purchase price based on a 12-month trailing EBITDA multiple) and any payment due under the purchase agreement, within 60 days after the date you receive our then-current franchise disclosure document If you are not in substantial compliance with the franchise agreement, if you do not meet

our then-current criteria or qualifications for new SERENDIPITY LABS system franchisees, or if we offer you the first right to operate and you fail to exercise the right, (i) we or an affiliate of ours will have the right to operate any such facility located within the Territory as a SERENDIPITY LABS business, or to grant a third party the right to operate any such facility located within the Territory as a SERENDIPITY LABS business, without offering you any additional rights or paying you any compensation, and (ii) you will have the right, on 60 days' prior written notice to us, to terminate the franchise and convert the Lab to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If you terminate the franchise in accordance with the foregoing sentence, we, you and your principals shall have various post-termination obligations and rights,

(k) Use or benefit from, or authorize others to use or benefit from, common or unique systems, programs and tools related to constructing, developing, training, advertising, marketing, managing and operating business systems, computer software, communications technologies, equipment, reservations, referrals, central purchasing and supplier arrangements, without being obligated to provide you access to any of the foregoing systems, programs and tools, unless we, in our discretion, make such systems, programs and tools part of the System ~~We will have no liability to you for any use of such systems, programs and tools by us, our affiliates or 3rd parties, and~~**, or make them available to other similarly-situated SERENDIPITY LABS franchisees**

(l) Market, promote, advertise, service and perform all activities to obtain and service corporate account clients, wherever they are located or need Business Services

Except as set forth above, we do not offer any options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories

During the term of your franchise, the Territory may not be modified except by a written agreement between you and us On renewal or transfer of your franchise, the Territory may be modified Depending on the then-current demographics of the Territory, and on our then-current Standards for territories, if the Territory is larger than our then-current standard territory, we may require you or the transferee to accept a renewal territory or a transfer territory smaller than the Territory

B DEVELOPMENT AGREEMENT

Under a development agreement, you will not receive an exclusive geographic area If you comply with the terms of the development agreement, we may not franchise or license others, or ourselves directly or indirectly develop, own, lease, construct or operate, any Lab in the geographic area covered by your grant ("the Development Area"), subject to our reserved rights described below

The Development Area generally will be identified by street, natural or political boundaries in Attachment 1 to the development agreement, and will be determined based on factors such as the number of Labs you plan to develop, population and demographics You may face competition from other franchisees or developers, from outlets that we own, or from other channels of distribution or competitive brands that we control

We reserve the rights, for ourselves and our affiliates, to

(a) ~~Advertise and promote sales of SERENDIPITY LABS businesses (generally), at any location, including within the Development Area,(b)~~ Establish ~~or~~**, acquire and** operate, or grant others the right to establish**, acquire** and operate, SERENDIPITY LABS businesses, or any competitive businesses, at any sites outside the Development Area on such terms and conditions that we deem appropriate, and otherwise offer and sell SERENDIPITY LABS products and services outside the Development Area~~;~~.

(~~c~~**b**) Establish or operate, or grant others the right to establish and operate, Private SERENDIPITY LABS businesses (i) outside the Development Area without offering or granting you any rights in those businesses, or (ii) ~~inside~~**within** the Development Area, subject to giving you the right of first refusal to operate ~~those businesses inside~~**any new Private SERENDIPITY LABS business within** the Development Area**,** if you and your affiliates are in substantial compliance with the development agreement and all other agreements with us~~;~~.

(~~d~~**c**) Establish or operate, or grant others the right to establish and operate, Limited Access SERENDIPITY LABS businesses (i) outside the Development Area without offering or granting you any rights in those businesses, or (ii) ~~inside~~**within** the Development Area, subject to giving you the right of first refusal to operate ~~those businesses inside~~**any new Limited Access SERENDIPITY LABS business within** the Development Area**,** if you and your affiliates are in substantial compliance with the development agreement and all other agreements with us~~;~~.

(~~e~~**d**) On our acquisition or merger by or with another entity operating businesses offering similar products and services, continue to offer, operate or grant others the right to establish and operate, through the resulting entity, similar businesses offering similar products and services under different trademarks within or outside the Development Area, subject to offering you the first right to operate any new similar business to be located within the Development Area (as described below), but without offering or granting you any rights as to any businesses then located within the Development Area or as to any businesses then located or to be located outside the Development Area If you are in substantial compliance with your obligations under the development agreement, if the resulting entity offers franchises for the similar business, and if you meet the resulting entity's then-current criteria and qualifications for new franchisees of the similar business, the resulting entity will offer you the first right to operate any such other business to be located within the Development Area To exercise this right, you must sign the resulting entity's then-current form of franchise agreement for each similar business to be located within the Protected Territory, **as modified by revisions that are substantially similar to any revisions to the SERENDIPITY LABS franchise agreement that you have negotiated,** and must deliver the signed franchise agreement to the resulting entity, together with payment of the initial franchise fee due under the franchise agreement, within 60 days after the date you receive the resulting entity's then-current franchise disclosure document If you are not in substantial compliance with the development agreement, if the resulting entity does not offer franchises for the similar business, if you do not meet the resulting entity's then-current criteria or qualifications for new franchisees of the similar business, or if the resulting entity offers you the first right to operate and you fail to exercise the right, (i) the resulting entity or an affiliate of the resulting entity will have the right to operate any similar business to be located within the Development Area, or to grant a third party the right to operate any similar business to be located within the Development Area, without offering you any additional rights or paying you any compensation, and (ii) if the similar business is to be located within the Territory of

any Lab operated by you or your affiliate, you will have the right, on 60 days' prior written notice to us, to terminate the franchise for the Lab and convert the Lab to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If you terminate a franchise in accordance with the foregoing sentence, we, you and your principals will have various post-termination obligations and rights~~,~~.

(~~f~~e) Operate and conduct, or grant others the right to operate and conduct, Other Brand Businesses (i) outside the Development Area, without offering or granting you any rights in those businesses, or (ii) ~~inside~~**within** the Development Area, subject to giving you the right of first refusal to operate any new Other Brand Business~~ to be located~~ within the Development Area, if you and your affiliates are in substantial compliance with the development agreement and all other agreements with us and our affiliates~~,~~.

(~~g~~f) Develop, license or franchise other systems, different from the SERENDIPITY LABS system, involving non-competitive products or services under different trademarks, within or outside the Development Area, without offering or granting you any rights under those systems~~,~~. **You acknowledge that a "retail-focused brand" unit (i e , a business that offers its goods and services solely for sale at retail) which is situated in a "retail environment" (i.e , in a shopping center or shopping mall composed of only retail use tenants), which has less than 10,000 total useable sf and less than 1,000 sf of dedicated offices or workstations, is deemed to be a unit in a system involving only non-competitive products or services.**

~~(h) Promote, provide, offer~~**g) Advertise** and ~~sell~~**promote**, and grant others the right to **advertise and** promote, provide, ~~offer and sell~~**anywhere in the United States, including within the Development Area**, SERENDIPITY LABS products and services through ~~alternative distribution channels~~**directed communications** (including ~~the Internet and similar electronic media or mail order channels~~**for example, Internet ads, emails, mailings, meetings, and/or telephone calls**), local, national and international media, and/or collective marketing programs, including national programs or Corporate Account Programs, subject to you being permitted **to participate**, on **non-discriminatory** terms and conditions that we ~~deem appropriate, to participate in such channels and/or programs, or to provide products or services directly to any customers~~**establish in any business** generated ~~by such channels and/or programs, whether such customers are clients~~**and/or in such national programs or Corporate Account Programs.**

(h) Advertise and promote, and grant others the right to advertise and promote, anywhere in the United States, including within the Development Area, the sale of SERENDIPITY LABS businesses~~, and whether they are located within or outside the Development Area,~~ **and SERENDIPITY LABS franchises generally**

(i) Operate one or more websites on the Internet~~,~~ or ~~operate on any type of~~**participate on one or more** social media **sites,** that advertise SERENDIPITY LABS businesses, allow clients and prospective clients to make reservations at SERENDIPITY LABS businesses ~~(including franchised Businesses)~~, or ~~permit~~**promote** other **commercial** activities ~~(whether or not similar)~~, even though the ~~website(s)~~ **websites and/**or social media **sites** are accessible to or viewable by persons within the Development Area~~,~~.

~~(j) Acquire, locate, construct and operate, or grant others the right to acquire, locate, construct and operate, SERENDIPITY LABS businesses operating under the Marks, and using the Patents, Copyrights and other elements of the System at any locations outside the~~

~~Development Area on such terms and conditions that we consider appropriate,(k)~~ Acquire one or more existing facilities within the Development Area offering products and services that are similar to SERENDIPITY LABS products and services (whether or not any of those facilities are within the Territories of any Labs operated by you or your affiliates, and whether or not such facilities opened before or after such Labs), provided that the acquisition is part of a transaction contemplating the acquisition of 3 or more facilities from a single seller, and continue to operate the existing facilities under different trademarks, but possibly as associates using OASIS, pending resolution of the first right to operate procedure described below If you meet the prerequisites for executing franchise agreements set forth in Section 7 of the development agreement, we will offer you the first right to operate all such facilities located within the Development Area as franchised Labs To exercise this right, you must sign our then-current form of franchise agreement for each such facility located within the Development Area, as modified by revisions that are substantially similar to any revisions to the franchise agreement that you have negotiated, and must deliver the signed franchise agreement to us, together with (i) payment of the initial franchise fee due under each franchise agreement, and (ii) a signed purchase agreement for all such facilities located within the Development Area in a form we provide at a purchase price equal to the purchase price paid by us or our affiliate for the facilities (for example, a purchase price based on a 12-month trailing EBITDA multiple) and any payment due under the purchase agreement, within 60 days after the date you receive our then-current franchise disclosure document If you choose to acquire and operate a Lab as described above, the Lab will be considered an authorized location for all purposes under the development agreement If you do not meet the prerequisites for executing a franchise agreement set forth in Section 7 of the development agreement, we will have no obligation to offer you the first right to operate as described above If we offer you the first right to operate and you fail to exercise such right, we or our affiliate, will have the right to operate any such facility located within the Development Area as a Lab, or to grant a third party the right to operate any such facility located within the Development Area as a Lab, without offering you any additional rights or paying you any compensation, and (ii) you will have the right, on 60 days' prior written notice to us, to terminate the franchise for any Lab operated by you or any of your affiliates within the Development Area and convert the Lab to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If you terminate any franchise as described above, we, you and your principals will have various post-termination obligations and rights~~,~~.

(~~l~~**k**) Use or benefit from, or authorize others to use or benefit from, common or unique systems, programs and tools related to constructing, developing, training, advertising, marketing, managing and operating business systems, computer software, communications technologies, equipment, reservations, referrals, central purchasing and supplier arrangements, without being obligated to provide you access to any of the foregoing systems, programs and tools, unless we, in our discretion, make such systems, programs and tools part of the System ~~We will have no liability to you for any use of such systems, programs and tools by us, our affiliates or 3rd parties, and~~**, or make them available to other similarly-situated SERENDIPITY LABS franchisees or developers**

(~~m~~**l**) Market, promote, advertise, service and perform all activities to obtain and service corporate account clients, wherever they are located or need Business Services

You must develop franchised Labs in the Development Area according to a development schedule This development schedule normally requires that you open 1 Lab every 12 months You must be in substantial compliance with all previously executed franchise agreements for Labs in

order to be eligible to open new Labs If you do not comply with the development schedule, if you default under the development agreement, or if any of your franchises are terminated for any reason, we may do any or all of the following (a) terminate the development grant, (b) terminate your Development Area protection, or (c) to reduce the size of the Development Area We do not generally grant a right of first refusal to obtain additional development areas

Item 13

TRADEMARKS

A FRANCHISE AGREEMENT

We grant you the non-exclusive right and obligation to use the trademark, service mark and trade name SERENDIPITY LABS, and other trademarks, service marks, trade names, logos, trade dresses and commercial symbols that we make available to you (the "Marks"), for providing products and services under the System at your Lab You may not use any of the Marks as part of any legal entity name, website address, email address, domain name or other identification in any print, electronic or other medium, or with any prefix, suffix or other modifying word, term, symbol or design You may not use the Marks for the sale of unauthorized products or services or in any manner we have not authorized in writing All rights in and good will from the use of the Marks accrue solely to us and our parent, SLI

Registrations and Applications

Our parent, SLI, has registered the following Marks on the Principal Register of the U S Patent and Trademark Office—:

Mark	Registration Date	Registration Number
SERENDIPITY LABS (Class 043)	April 30, 2013	4,329,304
SERENDIPITY LABS (Class 035)	August 6, 2013	4,380,893
SERENDIPITY LABS (Class 036)	November 12, 2013	4,433,271
INSPIRATION AT WORK (Classes 035, 036, 043)	December 10, 2013	4,448,830
OASIS (Class 042)	May 27, 2014	4,538,321

SLI **has filed all required affidavits and renewals for these Marks, and** intends to file all ~~required~~**additional** affidavits and ~~to renew the registrations when due~~ **renewals for these Marks when required.**

SLI has filed applications for registration of the following Marks on the Principal Register of the U.S Patent and Trademark Office·

Mark	Filing Date	Serial Number
WORKTOPIA (Class 036)	April 11, 2018	87,871,919
WORKTOPIA (Class 035)	December 12, 2018	88,226,986

SLI does not have Principal Register federal registrations for these Marks. Therefore, these Marks do not have as many legal benefits and rights as a trademark with a

Principal Register federal registration If our right to use these Marks is challenged, you may have to change to alternative trademarks, which may increase your expenses

Determinations

There are no currently effective material determinations of the USPTO, any Trademark Trial and Appeal Board, any state trademark administrator or any court, nor are there any pending interference, infringement, opposition or cancellation proceedings or material litigation, involving any of the Marks in any manner that is material to the Lab There are no decided infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of another trademark to protect the Marks

Agreements

Our parent, SLI, has granted us a license to use and sublicense the use of the Marks The term of the license is perpetual The license is worldwide and royalty-free If the license is terminated for any reason, you will still have the right to continue to use the Marks during the term of your franchise

Other than the above, there are no agreements currently in effect that significantly limit our rights to use or to license the use by franchisees of the Marks in any manner that is material to the Lab

Protection of Rights

We will control any administrative proceedings or litigation involving the Marks You must notify us promptly of any use by any person or legal entity other than us or our franchisees, of any of our Marks or any variation of any of our Marks We will decide the actions to be taken against the use of any of our Marks by any persons or legal entities other than us or our franchisees Our current intent is to take strong and progressive actions (that may include bringing litigation) against that use Any actions that we take will be at our expense

You must notify us promptly of any litigation brought against you involving any of our Marks, and you must deliver to us copies of any documents for the litigation that we request We will decide whether to settle or defend any trademark litigation brought against you If we decide to take either action, we will do so at our expense, but you must cooperate with us If the defense does not involve issues concerning the operation of your franchise, we will reimburse you for your out-of-pocket costs If we decide not to defend or settle any trademark litigation brought against you, you must defend or settle the litigation at your expense

Because your telephone listings, email addresses and domain names ("listings") will be associated with 1 or more of our Marks, we will own all rights to the listings, and all goodwill generated from the use of the listings will inure to our benefit See Items 9 and 11

We may acquire or develop additional Marks, and may use those Marks ourselves, make those Marks available for use by you and other SERENDIPITY LABS franchisees, or make those Marks available for use by other persons or entities You may not directly or indirectly contest our rights in our Marks

Indemnification of You

We will indemnify you to the extent that litigation involves defending against infringement or unfair competition if you are using our Marks in accordance with the franchise agreement and our Manuals, you allow us sole control of the defense and settlement of any claim and if you give us notice of a claim within 30 days after you learn about the claim

Modification of Trademarks

We may require you to modify or use a substitute for any Mark If we do, you must pay your cost of compliance We will allow you sufficient time to make the change in a cost effective matter We also may require you to use and display a notice in a form we approve that you are a franchisee under the System using the Marks under a franchise agreement

Superior Prior Rights or Infringing Uses

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

B DEVELOPMENT AGREEMENT

You will not have the right to use our Marks under a development agreement Your rights to use our Marks are derived solely from the franchise agreements entered into for the operation of individual Labs

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

A FRANCHISE AGREEMENT

Patents

No patents or pending patent applications are material to the franchise

Copyrights

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management and other materials that we have created are and will be protected under the U S Copyright Act, whether or not we have obtained registrations You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of promoting your franchised business

There are no currently effective determinations of the U S Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise All of the provisions

in Item 13 under the heading "Protection of Rights" also apply to copyrights, provided, however, that you must modify or discontinue use of any subject matter covered by a copyright if directed by us

We do not know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials

Proprietary Information

We have proprietary, copyrighted Manuals that contains both mandatory Standards and non-mandatory guidelines and recommendations, and we have other proprietary, copyrighted materials, for the operation of your Lab Our Manuals and the other proprietary materials provided to you are for your exclusive use during the term of the franchise, and may not be reproduced, copied, loaned to, used by or shown to any person outside the SERENDIPITY LABS system without our permission

You must have each employee you hire or independent contractor you engage sign an agreement before you grant him or her access to our Manuals or any other proprietary and confidential information, in which he or she agrees to the confidentiality of the System, agrees not to use any information about the SERENDIPITY LABS system for his or her own benefit without an appropriate license, and agrees not to compete in certain respects with your Lab and other franchisees' Labs (see Exhibit E of this disclosure document)

B DEVELOPMENT AGREEMENT

Patents and Copyrights

We do not own any rights in or to any copyrights or patents that are material to a grant

Proprietary Information

We may provide you with proprietary information for a grant This information is for your exclusive use during the term of the grant, and may not be reproduced, loaned or shown to any person outside the SERENDIPITY LABS system

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A FRANCHISE AGREEMENT

Although we recommend your personal participation (if you are an individual) or the participation of your principals (if you are an entity other than a natural person), in the day-to-day operation of the Lab, personal participation is not mandatory You will designate a "franchise manager," the person who has overall management responsibility for you and for the operation of the Lab, and "your principals," persons associated with you who are involved in managing the Lab, including the franchise manager and a sales manager Your principals are not required to hold equity interests in the franchisee, and there are no limits on whom you may hire as your principals

Your principals must attend and successfully complete our initial training program See Item 11 of this disclosure document for more information about our training programs

You must have the persons designated as your principals, persons attending our training, and persons who will have access to our Manuals or other confidential information, sign confidentiality and non-competition agreements in the form we prescribe, before you grant them access to our Manuals or any other confidential information Our current form of this agreement is included as Exhibit E to this disclosure document

If you are a legal entity, each "Controlling Owner" (as defined in the franchise agreement) must personally guarantee your obligations under the franchise agreement and also agree to be personally bound by, and personally liable for breach of, the franchise agreement This guaranty agreement is included as Attachment 2 to the franchise agreement

If you want to receive management services for your Lab from our affiliate, SLM, going beyond its support services for OASIS, and if SLM is available and agreeable to providing the management services, you may sign a management agreement (attached as Exhibit H)

B DEVELOPMENT AGREEMENT

You (or if you are not an individual, your principal operating officer or partner) must personally oversee the selection of sites for franchised Labs to be developed under a development agreement and also the development of those businesses

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

A FRANCHISE AGREEMENT

You must offer for sale and sell only products and services that we have approved or authorized You may not offer for sale or sell products or services that would detract from or be inconsistent with the System You may use products or services not purchased from us, but those products or services must be of comparable quality and must be approved by us in writing before use to ensure compliance with the Standards You may not use or permit the use of your premises for any other purpose or activity at any time without first obtaining our written consent

You must offer for sale all approved products and services, must not deviate from our specifications for the approved products, suppliers and services without our written consent, and must discontinue offering any items that we disapprove in writing We may add, delete, or modify the list of required and approved products and services, in our discretion All additions, deletions or modifications will be disclosed in supplements to our Manuals

You must participate in our Reservation System In connection with operation of the Reservation System, you are solely responsible for the prices that you offer clients, and you must promptly communicate to us or our designee any changes in the prices you charge your clients You may not charge any client a price higher than the price specified by the Reservation System at the time the client's reservation was made If there is a dispute or discrepancy, the price must be the most recent price that you communicated to us before the reservation was made

You must provide services to corporate account clients according to our Corporate Account Programs, as described in our Manuals See Item 6 of this disclosure document for more information about our Corporate Account Programs

You are not restricted in terms of the clients to whom you may sell approved products or services, but you may not solicit business outside your territory through the use of a toll-free number, direct mail, catalogue sales, telemarketing, the Internet or any other advertising method, without our prior written approval

B DEVELOPMENT AGREEMENT

The development agreement does not restrict what you may sell However, each franchise agreement contains restrictions on what may be offered by each Lab established under the development agreement

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

A FRANCHISE AGREEMENT

This table lists certain important provisions of the franchise agreement and its attachments You should read these provisions in the agreements in Exhibit B in this disclosure document

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Definitions, 5 1	10 years, or a period ending on the expiration date of the initial term of any lease for the site of the Lab executed in compliance with the franchise agreement, whichever period ends later
(b) Renewal or extension of the term	5 3	You have the right to renew for additional, successive terms of 5 years each, if you meet the requirements for renewal
(c) Requirements for you to renew or extend	5 2 (a)–(g)	Notice of intent to renew, substantial compliance with obligations during the then-current term, right to stay in possession of the Lab premises, refurbish the Lab, sign our then-current form of renewal franchise agreement (the terms of which may be different from the terms of your initial franchise agreement, except (i) the 1st renewal franchise agreement will contain revisions that are substantially similar to any negotiated revisions in your initial franchise agreement, and (ii) the economic terms specified in your initial franchise agreement will remain the same in the 1st renewal franchise agreement), sign a general release, and substantial compliance with our then-current qualification and training requirements for new franchisees

Provision	Section in Franchise Agreement	Summary
		If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights
(d) Termination by you	23 4	You may terminate for cause if we have materially defaulted, if you give us written notice of termination specifying the material default, and we fail to cure the noticed material default within 60 days
(e) Termination by us without cause	Not applicable	Not applicable
(f) Termination by us with cause	23	Automatic termination with cause, termination on notice with cause, and termination with cause after opportunity to cure
(g) "Cause" defined – curable defaults	23 2, 23 3	24 Hours to Cure you misuse any of our intellectual property 10 Days to Cure you fail to obtain and maintain required computer hardware, software and communication lines, you fail to comply with our intranet or website requirements 30 Days to Cure you sell unauthorized products or services, you fail to pay monies due us or our affiliate under the franchise agreement or any other agreement (including any development agreement), you fail to pay a supplier or trade creditor, you violate any in-term covenant, you misuse our confidential information, you breach any representation, warranty or covenant, you fail to maintain insurance, or you fail to substantially comply with any prescribed software license, software maintenance agreement or terms of use agreement Except as otherwise provided in Sections 23 1 or 23 2 of the franchise agreement, we may terminate the franchise agreement in the event of your material breach, after a 30-day opportunity to cure 60 Days to Cure you fail to construct the Lab

Provision	Section in Franchise Agreement	Summary
(h)"Cause" defined – non-curable defaults	23 1	Automatic Termination Insolvency, assignment for benefit of creditors, voluntary bankruptcy filing, bankruptcy or insolvency adjudication, creditor proceeding is instituted and not dismissed within 30 days, final judgment unsatisfied for 90 days, you are dissolved, execution levied against your business or property, foreclosure suit is instituted and not dismissed within 30 days, personal or real property levy
	23 2	Termination on Notice you fail to locate a mutually acceptable site for the Lab, you fail to open by the Opening Date, you abandon the Lab, you or a controlling owner are convicted of a felony or other crime, construction, maintenance or operation of the Lab poses a threat or danger to public health or safety, you or your owners attempt an unauthorized transfer, your estate fails to make the appropriate transfer after your death, you fail to make an appropriate transfer after permanent disability, or you fail to offer us the right of first refusal set forth in Section 20 4, you embezzle funds, or you knowing commit fraud, maintain false records or submit false reports, or you **repeatedly** commit ~~more than 3~~ material defaults of the franchise agreement in any ~~12~~**6**-month period
(i) Your obligations on termination/non-renewal	8 10, 24	On expiration, or on our rightful termination under Section 23 1, 23 2, 23 3 or 23 5, you must stop operating the Lab, stop using our confidential information, cancel all assumed names, stop using our intellectual property, pay all sums due and owing, return our confidential information (including our Manuals), observe all post-term covenants, return materials and software, comply with confidentiality and non-competition covenants, return advertising materials, offer us the right to assume your lease, offer us the right to purchase the assets of the Lab, assign to us or our affiliate, at our option, all client service agreements, de-identify the Lab premises, if requested, and assign to us all telephone numbers, domain names, etc On your rightful termination under Section 23 4, you must comply with Sections 24 2, 24 3, 24 4, 24 5, 24 6 and 24 8, take the confidentiality steps required in Section 24 7, must modify the Lab so that it does not look like a SERENDIPITY LABS business or use our trade dress, and may continue to deal with clients and prospective clients
(j) Assignment of contract by us	20 1	We have the right to assign our interest in the franchise agreement without your consent
(k) "Transfer" by you – defined	20 2	The sale, assignment, transfer conveyance, gift, pledge, mortgage or encumbrance of your interest, or any of your

Provision	Section in Franchise Agreement	Summary
		owners' interests, in the franchise agreement or the assets of the Lab, or the sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of any of your owners' respective ownership interests in you (if you an entity rather than a natural person)
(l) Our approval of transfer by you	20 2, 20 3, 20 7, 20 8	You must obtain our prior written consent for transfers involving the assignment of the franchise agreement, a controlling interest in you or substantially all of the assets of the Lab, and for grants of security interests in the Lab Our consent may not be unreasonably withheld You may make transfers among your controlling owners, other transfers and transfers for estate planning purposes, without our consent, if certain conditions are met
(m) Conditions for our approval of transfer	20 2 (a)-(~~l~~k)	Conditions include, among others (a) satisfaction of all monies owed and substantial compliance with the franchise agreement, (b) substantial compliance with trade creditor and other agreements, (c) general release, (d) qualified transferee, (e) transfer documentation provided to us, (f) transferee signs our then-current form of franchise agreement (except (i) the transferee's franchise agreement will contain revisions that are substantially similar to any negotiated revisions to your franchise agreement, and (ii) the economic terms specified in your franchise agreement will remain the same in the transferee's franchise agreement), (g) ~~renovation of the Lab~~**remodel or change** to then-current Standards**, if the Lab has not been fully remodeled or changed in accordance with the franchise agreement**, (h) tranferor's continued liability for pre-transfer obligations, (i) completion of training by transferee's management personnel, (j) payment of transfer fee, (k) payment of finder's fee, if applicable, and (l) appropriate representations, warranties and covenants by entity transferee
(n) Our right of first refusal to acquire your business	20 4	Within 30 days after we receive all pertinent documentation relating to a proposed transfer, we have the option to purchase the transferred interest on the same terms and conditions
(o) Our option to purchase your business	24 10	We have the right to assume your lease and purchase the Lab's assets on termination or expiration of the franchise
(p) Your death or disability	20 5	On your death, your estate must transfer your interest in the Lab within 12 months On your permanent disability, you must transfer your interest in the Lab within 6 months
(q) Non-competition covenants during the term of the franchise	10 2 (a), Attachment 5	During the term of the franchise, you may not own, maintain, engage in, or have any financial or beneficial interest in, advise, assist or make loans to any competitive

Provision	Section in Franchise Agreement	Summary
		business located in the United States or its territories, or within any other country, province or geographic area where we have registered or sought registration of our trademarks, or where we have operated or licensed others to operate SERENDIPITY LABS businesses
(r) Non-competition covenants after the franchise is terminated or expires	10 2 (b)	After expiration or rightful termination of the franchise, or after a principal ceases to function in that capacity, for a continuous uninterrupted 2-year period, you or the principal, as applicable, may not own, maintain, engage in, or have any financial or beneficial interest in, advise, assist or make loans to any competitive business located at the Lab premises, within the Territory, within a 25-mile radius of the Lab premises or any other SERENDIPITY LABS business
(s) Modification of the agreement	25 2	The franchise agreement may not be modified without your and our consent in writing, but we may modify the System, the Standards and our Manuals, a court may modify any provision of the franchise agreement under applicable law
(t) Integration/merger clause	25 2	Only terms of franchise agreement, including its attachments are binding (subject to state law) Any representations or promises outside of this disclosure document and the franchise agreement may not be enforceable
(u) Dispute resolution by arbitration or mediation	26 3	All claims, controversies or disputes arising out of the franchise agreement (and Exhibits) or the relationship created by the franchise agreement will be resolved by binding arbitration
(v) Choice of forum	26 5	Arbitration or litigation in courts nearest our home office at the time (subject to state law)
(w) Choice of law	26 1	Connecticut law applies (subject to state law), unless a term is unenforceable under Connecticut law, in which case the law of the state in which most of the Territory is located will apply

B DEVELOPMENT AGREEMENT

This table lists certain important provisions of development agreement and its related agreements. You should read these provisions in the agreements in Exhibit C in this disclosure document

Provision	Section in Development or Related Agreement	Summary
(a) Length of the development term	Definitions, 4 1	Expires on the expiration date specified in Attachment 1 to the development agreement (generally the deadline for the opening the last Lab)
(b) Renewal or extension of the development grant	Not applicable	Not applicable
(c) Requirements for you to renew or extend	Not applicable	Not applicable
(d) Termination by you	Not applicable	Not applicable
(e) Termination by us without cause	Not applicable	Not applicable
(f) Termination by us with cause	13	Automatic termination with cause, termination on notice with cause, and termination with cause after opportunity to cure
(g) "Cause" defined – curable defaults	13 2, 13 3	24 Hours to Cure you misuse any of our intellectual property 30 Days to Cure you or an affiliate fails to execute each franchise agreement in accordance with the development schedule, you fail to pay monies due us or our affiliate under the development agreement or any other agreement (including the franchise agreement), you fail to pay a suppliers or trade creditor, you violate any in-term covenant, you misuse our confidential information, or you breach any representation, warranty or covenant Except as otherwise provided in Sections 13 1 or 13 2 of the development agreement, we may terminate the development agreement in the event of your material breach, after a 30-day opportunity to cure 60 Days to Cure you fail to comply with the development schedule or develop a replacement authorized location
(h) "Cause" defined – non-curable default	13 1 13 2	Automatic Termination Insolvency, assignment for benefit of creditors, voluntary bankruptcy filing, bankruptcy or insolvency adjudication, creditor proceeding is instituted and not dismissed within 30 days, final judgment unsatisfied for 90 days, you are dissolved, execution levied against your business or property, foreclosure suit is instituted and not dismissed within 30 days, personal or real property levy Termination on Notice we rightfully terminate any franchise agreement for an authorized location after any applicable notice and cure period, you or a controlling owner are convicted of a felony or other crime, you or your owners attempt an

Provision	Section in Development or Related Agreement	Summary
		unauthorized transfer, your estate fails to make an appropriate transfer after your death, or you fail to make an appropriate transfer after permanent disability, you **repeatedly** commit ~~more than 3~~ material defaults of the development agreement in any ~~12~~6-month period, or you or any of your affiliates are in material breach of any agreement with us or any of our affiliates, including any franchise agreement for an authorized location, and do not cure the material breach within any applicable notice and cure period
(i) Your obligations on termination/non-renewal	13 5	Cease all development activities, cease to use our confidential information and other methods, comply with your post-termination confidentiality and non-competition covenants
(j) Assignment of contract by us	10 1	We have the right to assign our interest in the development agreement without your consent
(k) "Transfer" by you – defined	10 2	The sale, assignment, transfer conveyance, gift, pledge, mortgage or encumbrance of your interest, or any of your owners' interests, in the development agreement or the assets of the development business, or the sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of any of your owners' respective ownership interests in you (if you an entity rather than a natural person)
(l) Our approval of transfer by you	10 2, 10 5, 10 6, 10 7	You must obtain our prior written consent for transfers involving the assignment of the development agreement, a controlling interest in you or substantially all of the assets of the development business Our consent may not be unreasonably withheld You may make transfers among your controlling owners, other transfers and transfers for estate planning purposes, without our consent, if certain conditions are met
(m) Conditions for our approval of transfer	10 2 (a)-(j)	Conditions include, among others (a) satisfaction of all monies owed and substantial compliance with the development agreement, (b) substantial compliance with trade creditor and other agreements, (c) general release, (d) qualified transferee, (e) transfer documentation provided to us, (f) transferee signs our then-current form of development agreement (except (i) the transferee's development agreement will contain revisions that are substantially similar to any negotiated revisions to your development agreement, and (ii) the economic terms specified in your development agreement will remain the same in the transferee's development agreement), (g) payment of transfer fee, (h) opening of at least 1 Lab under the development agreement, (i) appropriate representations, warranties and covenants by entity transferee, and (j) tranferor's continued liability for pre-transfer obligations
(n) Our right of first refusal to acquire your business	Not applicable	Not applicable

Provision	Section in Development or Related Agreement	Summary
(o) Our option to purchase your business	Not applicable	Not applicable
(p) Your death or disability	10 3	On your death, your estate must transfer your interest in the development agreement within 12 months On your permanent disability, you must transfer your interest in the development agreement within 6 months
(q) Non-competition covenants during the term of the development grant	9 2(a)	During the term of the development grant, you may not own, maintain, engage in, or have any financial or beneficial interest in, advise, assist or make loans to any competitive business located in the United States or its territories, or within any other country, province or geographic area where we have registered or sought registration of our trademarks, or where we have operated or licensed others to operate SERENDIPITY LABS businesses
(r) Non-competition covenants after the development grant is terminated or expires	9 2(b), Attachment 4	After expiration or rightful termination of the development grant, or after a principal ceases to function in that capacity, for a continuous uninterrupted 2-year period, you or the principal, as applicable, may not own, maintain, engage in, or have any financial or beneficial interest in, advise, assist or make loans to any competitive business located within the Development Area, or within a 25-mile radius of any SERENDIPITY LABS business
(s) Modification of the agreement	14 2	Your development agreement may not be modified without your and our written consent, but we may modify the System, the Standards and our Manuals, a court may modify any provision of the development agreement under applicable law
(t) Integration/merger clause	14 2	Only terms of development agreement, including its attachments are binding (subject to state law) Any representations or promises outside of this disclosure document and the development agreement may not be enforceable
(u) Dispute resolution by arbitration or mediation	14 6	All claims, controversies or disputes arising out of the development agreement (and Exhibits) or the relationship created by the development agreement must be resolved by binding arbitration
(v) Choice of forum	14 12	Arbitration or litigation in courts nearest our home office at the time (subject to state law)
(w) Choice of law	14 4	Connecticut law applies (subject to state law), unless a term is unenforceable under Connecticut law, in which case the law of the state in which most of the Development Area is located will apply

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or company-owned outlets if there is a reasonable basis for the information, and if the information is included in this disclosure document Financial performance information that differs from any included in this Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet that 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 franchised or company-owned outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting ~~Brad LeBlanc~~**John Arenas**, 700 Canal Street, Stamford, Connecticut 06902, **john@serendipitylabs com,** (855) 801-7757, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary for Years ~~2015~~2016 to ~~2017~~2018

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	~~2015~~	~~1~~	~~1~~	~~0~~
Franchised*	2016	1	5	+4
	2017	5	7	+2
	~~2015~~2018	~~1~~7	~~1~~12	~~0~~+5
Company-Owned *	2016	1	1	0
	2017	1	1	0
	2018	1	6	+5
Total Outlets	~~2015~~2016	2	~~2~~6	~~0~~+4
	~~2016~~2017	~~2~~6	~~6~~8	+~~4~~2

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
	~~2017~~2018	~~6~~8	~~8~~18	~~+~~210

Table 2
Transfers of Outlets From Franchisees to New Owners (Other than Franchisor or an Affiliate) For Years ~~2015~~2016 to ~~2017~~2018

State	Year	Number Of Transfers
All states	~~2015~~2016	0
	~~2016~~2017	0
	~~2017~~2018	0
Total	**~~2015~~2016**	**0**
	~~2016~~2017	**0**
	~~2017~~2018	**0**

Table 3
Status of Franchised Outlets~~*~~
For Years ~~2015~~2016 to ~~2017~~2018

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~CT~~CA	2016	0	~~1~~0	0	0	0	0	~~1~~0
	~~2017~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	~~2015~~2017	0	0	0	0	0	0	0
	~~2016~~2018	0	1	0	0	0	0	1
~~FL~~CT	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	~~2015~~2018	1	0	0	0	0	0	1
~~IL~~CO	2016	~~1~~0	0	0	0	0	0	~~1~~0
	2017	~~1~~0	0	0	0	0	0	~~1~~0
	~~2015~~2018	0	~~0~~1	0	0	0	0	~~0~~1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
~~MD~~FL	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
~~NJ~~GA	~~2015~~2016	0	0	0	0	0	0	0
	~~2016~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2017	~~1~~0	0	0	0	0	0	~~1~~0
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2016~~2018	0	~~0~~2	0	0	0	0	~~0~~2
~~OH~~IL	2016	1	0	0	0	0	0	1
	2017	~~0~~1	~~1~~0	0	0	0	0	1
	~~2015~~2018	~~0~~1	0	0	0	~~0~~1	0	0
~~TX~~MD	2016	0	~~0~~1	0	0	0	0	~~0~~1
	2017	~~0~~1	~~1~~0	0	0	0	0	1
	2018	1	0	0	0	1	0	0
NJ	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
NY	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
OH	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	1	0	0	0	0	2
SC	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
TN	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
TX	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	1	0	0

State	Year	Outlets At Start Of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations For Other Reasons	Outlets At End Of Year
Total	~~2015~~2016	1	~~0~~4	0	0	0	0	~~1~~5
	~~2016~~2017	~~1~~5	~~4~~2	0	0	0	0	~~5~~7
	~~2017~~2018	~~5~~7	~~2~~8	0	0	~~0~~3	0	~~7~~12

Table 4
Status of Company-Owned* Outlets*
For Years ~~2015~~2016 to ~~2017~~2018

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re-Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
CO	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	1	0	0	0	1
IL	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	1	0	0	1
MD	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	1	0	0	1
NY	~~2015~~2016	1	0	0	0	0	1
	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	1
TX	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	1	1	0	0	2
Total	~~2015~~2016	1	0	0	0	0	1
	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	~~0~~2	~~0~~3	0	0	~~1~~6

~~*Our affiliate, Serendipity Labs Management, LLC, owns and operates this outlet~~

Table 5
Projected Openings as of December 31, ~~2017~~2018

State	Franchise Agreements Signed But Outlet Not Opened As Of December 31, ~~2017~~2018**	Projected New Franchised Outlets* As Of December 31, ~~2017~~ ~~(In~~ 2018) (In 2019)	Projected New Company-Owned Outlets* As Of December 31, ~~2017~~2018 (In ~~2018~~2019)
AZ	1	1	0
CA	1	~~3~~1	~~0~~1
~~CO~~	~~1~~	~~2~~	~~0~~
CT	~~0~~1	1	0
FL	~~3~~4	~~2~~1	0
GA	~~2~~3	2	0
~~IL~~	~~0~~	~~0~~	~~0~~
IN	~~1~~2	1	0
MO	~~1~~2	~~1~~0	0
NC	**1**	**1**	**0**
NJ	1	~~1~~0	0
NY	3	~~2~~1	0
~~OH~~	~~1~~	~~1~~	~~0~~
PA	1	1	0
SC	~~2~~1	~~2~~1	~~0~~1
TN	1	~~2~~1	0
TX	2	~~3~~1	0
UT	1	~~1~~0	0
WI	**2**	**2**	**0**
Total	~~22~~27	~~26~~15	~~0~~2

*** For purposes of this Item 20 and Exhibit J, a franchised outlet is owned by a franchisee entity in which we, our affiliates and/or our officers, combined, had no ownership interest or up to a 50% ownership interest, and a company-owned outlet is owned by an entity in which we, our affiliates and/or our officers, combined, had greater than a 50% ownership interest. All company-owned outlets disclosed in this Item 20, except the Rye, NY company-owned outlet, were owned by franchisee entities in which our affiliates had greater than 50% ownership interests. We or our affiliates managed some of the franchised outlets.**

**** Franchise agreements signed by franchisee entities in which our affiliates had greater than 50% ownership interests are not included in Table 5 above**

Exhibit J is a list of the names, business addresses and business telephone numbers of our franchisees as of December 31, ~~2017,~~**2018,** and the business ~~address~~**addresses** and business telephone ~~number~~**numbers** of our company-owned ~~outlet~~**outlets** as of December 31, ~~2017~~ **2018**

Exhibit K is a list of the names, cities and states and current business telephone numbers (or if unknown, last known home telephone numbers) of franchisees**, who transferred franchises in 2018 (0);** who had franchises terminated **(0)**, ~~cancelled or~~ not renewed ~~in 2017~~ (0)**, or reacquired (3), in 2018**, who otherwise voluntarily or involuntarily ceased to do business under their franchise agreements in ~~2017~~**2018** (0), or who had not communicated with us within 10 weeks of the issuance date of this disclosure document (0)

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

No current or former franchisees have signed confidentiality clauses with us during the last 3 fiscal years which would restrict them from speaking openly with you about their experience with us

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

Item 21

FINANCIAL STATEMENTS

Exhibit I includes our audited financial statements for fiscal years ~~ending December 31, 2015, 2016 and 2017~~ **ended December 31, 2016, 2017 and 2018, or unaudited balance sheet as of March 31, 2019, and our unaudited profit and loss statement for the period from January 1, 2019 to March 31, 2019**

Item 22

CONTRACTS

Exhibit A includes the letter of intent

Exhibit B includes the franchise agreement, state rider and attachments, as follows

Attachment 1 – Basic Information
Attachment 2 – Undertaking and Guaranty
Attachment 3 – Statement of Ownership Interest and Your Principals
Attachment 4 – Lease Rider
Attachment 5 – Confidentiality Agreement and Ancillary Covenants Not to Compete
Attachment 6 – Electronic Funds Transfer Authorization
Attachment 7 – Conversion Addendum
Attachment 8 – Terms of Use Agreement
Attachment 9 – Transfer of Service Consent and Authorization
Attachment 10- SBA Addendum

Exhibit C includes the development agreement, state rider and attachments, as follows

Attachment 1 – Basic Information
Attachment 2 – Undertaking and Guaranty
Attachment 3 – Statement of Ownership Interest and Your Principals
Attachment 4 – Confidentiality Agreement and Ancillary Covenants Not to Compete
Attachment 5 – Development Schedule

Exhibit D includes the Franchise Compliance Questionnaire

Exhibit E includes the suggested form of Confidentiality and Non-Competition Agreement

Exhibit F includes the sample form of general release to be signed on transfer or renewal

Exhibit G includes the OASIS Platform Services Agreement of SLI

Exhibit H includes the Management Agreement of SLM

Item 23

RECEIPTS

Exhibit O includes detachable documents acknowledging your receipt of this disclosure document

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

(1) Item 3 of this disclosure document is modified to include the following paragraph

> No person named in Item 2 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 19934, 15 U S C A 78a et seq , suspending or expelling such person from membership in such association or exchange

(2) Item 5 of the disclosure document is modified to include the following paragraph

> On request of the California Department of Business Oversight, we have agreed to defer collection of all initial fees (initial franchise fee, any training fees, OASIS setup fee and development fee) until we have performed all our pre-opening obligations Your initial fees will be due when you have completed initial training and open your 1st Lab

(3) Item 10 of this disclosure document is modified to state that we will not provide financing to residents of California

(4) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (h)

> The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

(5) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (m)

> You must sign a general release if you transfer your franchise California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations 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)

(6) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (r)

> 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

(7) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (s)

> Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

(8) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (u)

> The franchise agreement requires binding arbitration The arbitration will occur at the offices of the American Arbitration Association nearest our home office, with cost being borne by the party which does not substantially prevail You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the franchise agreement restricting venue to a forum outside the state of California

(9) Item 17 of this disclosure document is modified to include the following paragraphs under the Summary column of part (w)

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

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

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

(11) OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE DEPARTMENT OF BUSINESS OVERSIGHT at ~~www dbo ca gov~~ **www.dbo.ca gov.**

EXHIBIT A

LETTER OF INTENT

LETTER OF INTENT

{Date}

{Name, Title}
{Company Name}
{Address Line 1}
{Address Line 2}

Re Proposed "Franchise Development Structure" for {Territory}

Dear {Name}

The purpose of this letter is to set structure to our conversations and provide a working document to move forward to formal Serendipity Labs Development and Franchise Agreements for {Territory} Except where noted, this letter of intent ("LOI") is **non-binding** for both parties, and is subject to negotiation and execution of a definitive Development Agreement and a definitive Franchise Agreement

Non-Binding Terms

1 This LOI shall be transferable to a newly formed entity "NewCo" subject to the requirements of the Development Agreement and Franchise Agreement

2 {Company Name} and its assigns (hereinafter "{Abbreviation"}) agrees to exclusive development of {number} Serendipity Labs franchised units within a mutually agreed upon development area in {Territory}

3 {Company Name} agrees to enter into a Serendipity Labs Development Agreement and a Serendipity Labs Franchise Agreement by {Date}

a Sign a Franchise Agreement for 1st franchise (location TBD) with ~~$50,000~~**75,000** initial franchise fee

b Sign a Development Agreement for an additional {number} franchised units to be completed within {number} years after the 1st franchise signing

c A development fee equal to $20,000 per additional unit, or {$amount} for {number} additional units, is to be paid at the signing of the Development Agreement

d The development fee will be credited against the initial franchise fees for the additional units with a net due of ~~$30,000~~**55,000** per unit (~~$50,000~~**75,000** initial franchise fee - $20,000 development credit) at the execution of franchise agreements according to the development schedule

4 {Territory} Development Schedule

- 1st franchise signed by {Date} & opened by {Date}
- 2nd franchise signed by {Date} & opened by {Date}

- 3rd franchise signed by {Date} & opened by {Date}
- 4th franchise signed by {Date} & opened by {Date}
- 5th franchise signed by {Date} & opened by {Date}
- 6th franchise signed by {Date} & opened by {Date}

5 Serendipity Labs agrees to use any negotiated franchise agreement language in all future Franchise Agreements that {Abbreviation} enters into

6 Defined Development Agreement territory to include (see attached map)

a
b
c

7 Any "one-off" location approved outside of the defined Development Agreement territory will be separate from {Abbreviation's} development schedule

Binding Provision

8 {Abbreviation} agrees to submit a {$amount} initial deposit immediately following the execution of this LOI by both parties, but not later than {Date} The initial deposit is fully refundable to {Abbreviation}, less any direct preapproved expenses, for any reason or no reason, through the LOI expiration date of {Date} The parties agree that the above "fully refundable" stipulation of the initial deposit is a **binding** provision of this LOI

Sincerely,

_____
John P Arenas, CEO
Serendipity Labs

_____
{Name, Title}
{Company Name}

EXHIBIT B

FRANCHISE AGREEMENT, STATE RIDER AND ATTACHMENTS

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

FRANCHISE AGREEMENT

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RIDER TO FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

Attachments

1 – Basic Information
2 – Undertaking and Guaranty
3 – Statement of Ownership Interests and Your Principals
4 – Lease Rider
5 – Confidentiality Agreement and Ancillary Covenants Not to Compete
6 – Electronic Fund Transfer Authorization
7 – Conversion Addendum
8 – Terms of Use Agreement
9 – Transfer of Service Consent and Authorization
10 –SBA Addendum

FRANCHISE AGREEMENT

This Agreement is entered into between Franchisor and You, as of the Effective Date of this Agreement The definitions of these capitalized terms and other capitalized terms used in this Agreement are set forth in Section 1 1

RECITALS

A Franchisor or a Franchisor Affiliate, as the result of the expenditure of time, skill, effort and money, has developed and owns the System, which is identified by the Marks and includes the Intellectual Property

B Franchisor grants franchises to qualified Persons for the right to operate SERENDIPITY LABS® Businesses at Locations, and You wish to acquire a franchise to operate a SERENDIPITY LABS Business according to the terms of this Agreement

C You understand and acknowledge the importance of adhering to the Standards in connection with the operation of a SERENDIPITY LABS Business

D You acknowledge and represent that You have had sufficient time and opportunity before signing this Agreement to familiarize yourself with the System and SERENDIPITY LABS Business concept, that You have based your decision to enter into this Agreement on such independent investigation, and that You have not received nor relied on any representations made on Franchisor's behalf other than those expressly made in Franchisor's Franchise Disclosure Document previously given to, and reviewed by, You

E You acknowledge that You have had the opportunity to obtain, and that You have obtained, independent legal counsel and financial advice concerning your decision to enter into this Agreement and to operate a SERENDIPITY LABS Business

F You acknowledge that You are an independent contractor and, as such, are responsible for the operation and financial performance of the Franchised Business

AGREEMENT

In consideration of the mutual undertakings and commitments set forth in this Agreement, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the parties agree as follows

1. DEFINITIONS AND RULES OF CONSTRUCTION

1 1 Definitions In this Agreement, the following capitalized terms have the following meanings

"Accounting Period" means each calendar month during the Term, or such other period specified by Franchisor for any purpose

"Additional Assistance Fee" means $1,000 per day per individual, plus the individual's reasonable travel, lodging and dining expenses, and applicable taxes, for additional assistance that You request

"Agreement" means this Franchise Agreement

"Assigned Area" means the geographic area identified in Attachment 1 as the area in which You must select your Location

"Business Days" exclude Saturdays, Sundays and the following national holidays New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas

"Business Services" mean any workspace, meeting or event accommodations or services, or any reception, telecommunications, Internet, data transmission, videoconferencing or related business support products or services, provided at or from SERENDIPITY LABS Businesses (including the Franchised Business)

"Business Services Rates" means any charges for the provision of Business Services

"Capital Improvements" means all structural improvements and changes to Trade Dress, and the acquisition of new and replacement Computer Systems, fixtures, furniture and equipment Capital Improvements do not include maintenance or repairs required as a result of normal wear and tear

"Client" means any Person for whom the Franchised Business provides Business Services

"Competitive Business" means any business that (i) offers workspace, meeting or event accommodations or services, including Membership Plans and/or Business Services, or other products and services similar to, or competitive with, the products and services offered by the Franchised Business, other than pursuant to a SERENDIPITY LABS franchise agreement with Franchisor, and (ii) obtains 25% or more of its annual revenue from such products and services

"Computer Systems" means all computer hardware and software systems, including any future enhancements, additions, substitutions, upgrades and modifications, required by Franchisor, in its discretion, to be used in connection with the operation of the Franchised Business

"Confidential Information" means any and all confidential knowledge, know-how, techniques, materials and other information used in or related to the System, including the Manuals, the Intellectual Property to the extent confidential, the Software, lists, data, records, accounts or other information regarding any Client, prospective Client, or other Person to whom Franchisor, any Franchisor Affiliate or other SERENDIPITY LABS system franchisees provide any products or services, plans and specifications to the extent confidential, marketing information and strategies, site evaluation and selection guidelines and techniques, and other information marked "confidential" at the time of disclosure by Franchisor Confidential Information may be communicated in writing or through other means, including electronic media (*e g* , CD ROM, computer disk, or video or audio tape) Confidential Information does not include (i) information that is already in, or after disclosure comes into, the public domain (other than information that is in the public domain due to your or Your Affiliates' breach of this Agreement or other agreements with Franchisor or Franchisor Affiliates), (ii) information that was independently developed by You, (iii) information that was already in your possession without obligation of confidentiality at the time of disclosure by Franchisor, or (iv) information that is obtained by You from any third party without obligation of confidentiality

"Continuing Services Fee" means the fee set forth in Attachment 1

"Controlling Interest" means possession (through one or more intermediaries) of the power to direct, or cause the direction of, the management or policies of an entity, whether through active

voting control, by contract, or otherwise, but in all cases, more than 50% of active voting control in an entity shall constitute a Controlling Interest

"Contract Value" equals the recurring monthly Membership Plan Rates and Business Services Rates applicable to a particular Client times the number of months in the initial term of the Service Agreement with the Client (excluding renewal terms)

"Copyrighted Work" means any tangible medium of expression in which Franchisor or a Franchisor Affiliate has legal copyright protection, including the Manuals, the Software (including source codes and object codes), the Marks (including all trademarks, service marks, logos and other indicia of origin), the Patents (including patented designs), and the Trade Dress

"Corporate Account Agreement" means any agreement that Franchisor or a Franchisor Affiliate has negotiated with a Corporate Account Client

"Corporate Account Client" means a Client who participates in a Corporate Account Program, as outlined in the Manuals, but does not include a Client for whom the Franchised Business has provided Business Services within the 12-month period prior to execution of the first Corporate Account Agreement with the Client

"Corporate Account Program" means any program developed by Franchisor or a Franchisor Affiliate that may offer to Corporate Account Clients, among other things, prices, discounts, rebates or other incentives

"Corporate Account Servicing Fee" means an amount not to exceed 5% of the Contract Value of all Service Agreements that You enter into with a Corporate Account Client during an applicable Accounting Period Franchisor has the right to increase this fee each calendar year by an additional 1% per year, up to a maximum of 6% Subject to Section 12, You have the right to determine the prices the Franchised Business charges a Corporate Account Client

"Development Agreement" means that certain Development Agreement between Franchisor and You (or one of Your Affiliates) pursuant to which You are developing the Franchised Business that is the subject of this Agreement

"EBITDA" means earnings before interest, taxes, depreciation and amortization, calculated in accordance with generally accepted accounting principles in the United States

"Effective Date of this Agreement" means the date set forth in Attachment 1

"EFT" means electronic funds transfer

"Expiration Date" of this Agreement means the date set forth in Attachment 1

"Finder's Fee" means an amount, payable to Franchisor, equal to 8% of the amount of consideration You receive, or have the right to receive, from a transferee for a Transfer, excluding any amount of consideration You receive, or have the right to receive, for real estate or a lease For purposes of this definition, "consideration" includes all forms of consideration, whether cash or cash equivalent (including, for example, shares of stock or forgiveness of a debt)

"Force Majeure" event means an extraordinary event or act of God (such as a tornado, hurricane, flood, fire or other natural catastrophe), war, riot, labor disturbance, power outage, other civil disturbance, epidemic, other unforeseeable circumstance, or other event beyond your reasonable control, that materially and adversely affects the development or operation of the Franchised Business

"Franchise Disclosure Document," also called an FDD, means the document required to be provided to You under the Federal Trade Commission franchise disclosure rule and any applicable state franchise disclosure law

"Franchise Manager" means the individual who has overall management responsibility for You or for the operation of the Franchised Business

"Franchised Business" means the specific SERENDIPITY LABS Business that You operate according to this Agreement

"Franchisee Indemnitees" means You and Your Affiliates, and their respective successors, officers, directors, shareholders, partners, agents, representatives, independent contractors and employees

"Franchisor" means Serendipity Labs Franchise International, LLC and/or its successors and assigns

"Franchisor Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, Franchisor

"Franchisor Indemnitees" means Franchisor and Franchisor Affiliates, and their respective successors, officers, directors, shareholders, partners, agents, representatives, independent contractors and employees

"Governing Documents" means all documents and agreements establishing or governing the operation and relationship of the owners of a non-individual Person, whether or not filed with any governmental authority Examples of Governing Documents are the articles of incorporation, bylaws and shareholder agreements of a corporation, the articles of formation, bylaws and member agreements of a limited liability company, and the certificate of partnership, articles of partnership and partnership agreements of a general or limited partnership

"Gross Revenue" means all revenue (including cash, credit or exchange, and regardless of collection in the case of credit) accruing from the provision of Membership Plans and Business Services, and the sale of all other products and services at or from the Franchised Business Gross Revenue does not include (i) excise, sales and other taxes (including value added taxes) collected directly from Clients or included as part of the sale price of any products or services, (ii) refunds made to Clients, (iii) condemnation awards, compulsory purchase awards, grants and subsidies, (iv) refunds You receive from your suppliers for lost, damaged or unsatisfactory merchandise, services or supplies, (v) bank interest received, (vi) rebates of property or other taxes, (vii) proceeds from the sale of used furniture, equipment or fixtures, or similar items

"Gross Revenue Report" means a report that precedes or accompanies payment of a Continuing Services Fee, itemizing the Gross Revenue for the applicable Accounting Period

~~"Hub Lab" means a SERENDIPITY LABS Business in a location with 17,500 to 25,000 or more rentable square feet of commercial office or retail space~~

"Initial Franchise Fee" means the initial fee set forth in Attachment 1

"Intellectual Property" means the Marks, the Patents, the Copyrighted Works, the Confidential Information, the Trade Dress, and other related intellectual property rights, owned, used, licensed or registered by Franchisor or a Franchisor Affiliate

"Intranet" means any intranet, extranet, password-protected website or other computer network system that Franchisor or any Franchisor Affiliate may implement in connection with the System to communicate information from and to, and/or to facilitate communication by, Franchisor and SERENDIPITY LABS system franchisees

"Legal Requirements" means all laws, statutes, ordinances, rules, regulations, permits, licenses, authorizations, directions and requirements of any government or regulatory authority that now or hereafter may apply to the Franchised Business or your operation of the Franchised Business, including, for example, those relating to employment, zoning, building, health, safety, environmental and intellectual property rights matters

"Limited Access SERENDIPITY LABS Business" means a SERENDIPITY LABS Business that is located in a special use space with limited public access such as an airport, hotel or office building, and that is accessible only to persons authorized to be in the space such as ticketed travelers, hotel guests or tenants, their personnel and authorized visitors

"Local Advertising Cooperative" means a ~~group comprised of SERENDIPITY LABS Businesses to facilitate Local Marketing~~ **cooperative established by Franchisor under Section 14.5.**

"Local Marketing" means advertising and marketing directed to a local geographic area

"Location" means the location identified in Attachment 1, or any other location approved by Franchisor for the operation of the Franchised Business, ~~whether it is a Standard Lab or a Hub Lab,~~ under this Agreement

"Losses and Expenses" means all compensatory, exemplary, incidental, consequential or punitive damages (including lost profits), all fines, charges, costs or expenses imposed by courts or other governmental authorities or by arbitrators, reasonable attorneys' fees and all court costs, settlement amounts, judgments relating to litigation or arbitration, compensation for damages to Franchisor's or your reputation and goodwill, costs of or resulting from delays, costs of any necessary corrective advertising material and media time/space, and costs of changing, substituting or replacing advertising, and all expenses of recall, refunds, compensation to third parties, public notices and other similar amounts incurred in connection with the matters for which Losses and Expenses are to be paid

"Manuals" means the written manuals containing the Standards and also non-mandatory guidelines and recommendations, and all amendments thereof and other directives that Franchisor may communicate to You electronically, in writing or by any other means

"Marks" means the trademarks, trade names, service marks, logos, emblems, trade dress, and other indicia of origin which Franchisor has designated, or may in the future designate, for use in connection with the System, all of which Franchisor may change, modify, alter or discontinue from time to time On the Effective Date of this Agreement, the Marks include the marks "SERENDIPITY LABS" and "OASIS "

"Membership Plan" means a membership granting a Client certain rights of access to the Franchised Business and/or other SERENDIPITY LABS Businesses

"Membership Plan Rates" means any charges for the provision of a Membership Plan

"National Marketing Support Fund" means the promotion and marketing fund established and implemented by or under the direction of Franchisor for the common benefit of SERENDIPITY LABS system franchisees

"OASIS" means Franchisor's proprietary service delivery platform and related software applications

"OASIS Service Delivery Platform Support Fee" means ~~a one-time OASIS setup fee, and a monthly OASIS Operational Support Fee thereafter, as~~**the fee** set forth in Attachment 1, that You pay to Serendipity Labs, Inc in exchange for access to OASIS and related software applications

"Opening Date" means the date by which the Franchised Business must open for business If there is no Development Agreement, and if the Location has been identified as of the Effective Date of this Agreement, the Opening Date shall be the date 6 months after the Effective Date of this Agreement If there is no Development Agreement, and if the Location has not been identified as of the Effective Date of this Agreement, the Opening Date shall be a date 12 months after the Effective Date of this Agreement If there is a Development Agreement, the Opening Date shall be **the** Opening Deadline specified in Attachment ~~1~~**5** to the Development Agreement

"Other Brand Business" means any business that is owned, operated or licensed by Franchisor or a Franchisor Affiliate, other than a SERENDIPITY LABS Business, including a business that may offer products and services similar to those offered by SERENDIPITY LABS Businesses, and that operates under a different trademark or service mark, including a mark that may be similar to or include any of the Marks (for example, "Serendipity Express") Other Brand Businesses may include Competitive Businesses

"Ownership Interest" means any ownership interest of any type, including (i) in relation to a corporation, the ownership of shares in the corporation, (ii) in relation to a partnership, the ownership of a general or limited partnership interest, (iii) in relation to a limited liability company, the ownership of a membership interest, or (iv) in relation to a trust, the ownership of a beneficial interest in such trust

"Patent" means any patent that Franchisor or a Franchisor Affiliate has registered, or for which registration has been applied for, with the U S Patent and Trademark Office or a governmental agency of any other jurisdiction

"Payment Date" means the 10th day after the end of each Accounting Period, except that the Payment Date for the last Accounting Period of the Term shall be the last day of the Term

"Permanent Disability" means any physical, emotional or mental injury, illness or incapacity that prevents a natural Person from performing his or her obligations under this Agreement or in the Undertaking and Guaranty for at least 90 consecutive days, and from which recovery within 90 days after the date of determination of disability is unlikely

"Person" means an individual (and the heirs, executors, administrators or other legal representatives of an individual), a corporation, a partnership, a limited liability company, a trust, a joint venture, a government or any department or agency thereof, or any other incorporated or unincorporated association or organization

"Private SERENDIPITY LABS Business" means a SERENDIPITY LABS Business that is accessible only to personnel and designees of a single Corporate Account Client**, and that is not accessible to the general public**

"Protected Territory" means a defined geographic area surrounding the Location of the Franchised Business, as specified in Attachment 1

"Publicly-Held Company" means a company for which securities (i) have been "publicly offered" or "publicly traded" (as those terms are commonly understood for purposes of state and federal securities laws), or (ii) are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or are otherwise subject to the requirements of Section 15(d) of that Act

"Reservation System" means any reservation system (including all proprietary equipment and software) that Franchisor designates for use by SERENDIPITY LABS Businesses, as such system may be modified from time to time by Franchisor or a Franchisor Affiliate

"Right of First Refusal," except with regard to Section 20 4, means that Franchisor shall promptly notify You in writing of the opportunity to develop and/or operate a business, and shall provide You with appropriate information and documentation relating to the opportunity (including, for example, any required Franchise Disclosure Document), and You shall have the right, exercisable within 60 days after receipt of such notification, information and documentation, to execute a then-current form of franchise or other agreement for the development and/or operation of the business, which agreement shall contain revisions that are substantially similar to any revisions to this Agreement that You have negotiated If You decline to exercise a Right of First Refusal or fail to respond within the 60-day period, Franchisor or a Franchisor Affiliate may operate the business, or may enter into an agreement with another Person to operate the business, provided, however, that if another Person is to operate the business, the agreement with the other Person must contain terms that are substantially similar to those offered to You and must be executed within 120 days after the expiration of the 60-day period Otherwise, You must again be offered a Right of First Refusal as to the business

"Sales Manager" means the individual who is responsible for managing sales for the Franchised Business

"SERENDIPITY LABS Business" means a facility offering certain products and services prescribed by Franchisor and identified by the Mark "SERENDIPITY LABS" (or such other Mark as Franchisor designates), that is licensed to use the System SERENDIPITY LABS Businesses do not include any Other Brand Businesses

"Service Agreement" means the contract between a Client and You for the provision of a Membership Plan, Business Services and/or other products or services offered by the Franchised Business or other SERENDIPITY LABS Businesses

"Software" means all computer programs and computer code (*e g* , HTML, Java) that Franchisor designates or offers for use in connection with the Franchised Business, including OASIS and other software developed and licensed by Franchisor, a Franchisor Affiliate or a third-party software provider

"Software License" means any license for the Software

"Software Maintenance Agreement" means any maintenance agreement for the Software

"Software Technical Support Fee" means the fee set forth in Attachment 1

~~"Standard Lab" means a SERENDIPITY LABS Business in a location with about 12,500 to 17,499 rentable square feet of commercial office or retail space~~

"Standards" means Franchisor's written mandatory methods, techniques, specifications, policies and procedures that relate to the operation of a SERENDIPITY LABS Business, including the Standards set forth in this Agreement, and the then-current Standards described in the Manuals or communicated to You electronically, in writing or by any other means

"System" means the business format and methods licensed under this Agreement for the development and operation of SERENDIPITY LABS Businesses The System includes the Intellectual Property, the Standards, the training, assistance and support that may be offered by Franchisor or its designees, the quality and uniformity of products and services offered at SERENDIPITY LABS Businesses, and Franchisor's advertising and marketing programs All aspects of the System may be changed, improved and further developed by Franchisor in its discretion from time to time

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of any nature (including any interest or penalties), imposed by any governmental authority or political subdivision of a governmental authority on or relating to the operation of the Franchised Business

"Temporary Operational Fee" means ~~an amount, payable to Franchisor or a Franchisor Affiliate for performing operational services, equal to 11% of the Gross Revenue of the Franchised Business~~ **the fee set forth in Section 20.5(a) of this Agreement.**

"Term" means (i) the 10-year period beginning on the Effective Date of this Agreement, or (ii) a period beginning on the Effective Date of this Agreement and ending on the expiration date of the initial term of any lease for the site of the Franchised Business that has been executed in compliance with Section 4 4, whichever period ends later

"Trade Dress" means all exterior and interior design, decor, color scheme, fixtures and furnishings and other items prescribed by Franchisor in relation to the appearance of SERENDIPITY LABS Businesses

"Transfer" means either (i) the sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of your interest, or any of Your Owners' respective interests, in this Agreement, or of all or substantially all of the assets of the Franchised Business, or (ii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of any of Your Owners' respective Ownership Interests in You (if You are an entity rather than a natural Person)

"Transfer Fee" means the fee set forth in Attachment 1

"Undertaking and Guaranty" means the personal undertaking and guaranty of your obligations under this Agreement by each of Your Controlling Owners, jointly and severally, as identified in Attachment 2

"You" means the Franchisee identified in Attachment 1

"Your Affiliates" mean any entities that control You, are controlled by You, or are under common control with You, and that have entered into any SERENDIPITY LABS franchise agreements or development agreements with Franchisor and been given access to any Confidential Information

"Your Controlling Owners" include only Your Owners who have active voting rights relating to your management

"Your Owners" include the entities or individuals who have Ownership Interests in You

"Your Principals" ~~include~~**mean** personnel who are involved in ~~managing~~**the day-to-day management of** the Franchised Business~~ (e g , General Managers) and who~~**, are given access to the Manuals, or** attend ~~the~~**any** training ~~programs~~**program** of Franchisor

1 2 Captions The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference The captions shall not be construed to govern, limit, modify, or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof, nor shall such captions otherwise be given any legal effect

1 3 Non-Limiting Terms In this Agreement, the words "include," "includes," "including" and "such as" are to be construed as if they were immediately followed by the words "without limitation "

1 4 Additional Rules of Construction In this Agreement, unless the context clearly indicates another intention, a reference to

(a) Any gender includes other genders,

(b) The singular includes the plural and vice versa,

(c) The auxiliary verb "may" is permissive, and its negative ("may not") denies permission,

(d) A provision, attachment or party is a reference to a provision of this Agreement, an Attachment to this Agreement or a party to this Agreement, as applicable The Recitals and Attachments form part of this Agreement, and any reference to this Agreement includes the Recitals and Attachments

(e) Obligations undertaken by more than one Person constitute joint and several obligations,

(f) A statutory provision includes a reference to the statutory provision as modified or re-enacted, or both, from time to time, and any subordinate legislation made under the statutory provision,

(g) A reference to a document is to the document as it may be amended or supplemented from time to time,

(h) A written document includes any communication that is in tangible written or printed form, or that can be transmitted by computer disc or electronically (using the Internet, satellite, radio, or otherwise) and can be printed out in tangible printed form by the recipient, and

(i) If a Payment Date falls on a day other than a Business Day, the Payment Date shall be the next Business Day

1 5 Franchisor's Discretion Whenever this Agreement grants Franchisor discretion in deciding or acting, Franchisor shall have the right to exercise reasonable business judgment to determine the acceptable decision to make or action to take in a given situation, but Franchisor shall not have the right to unreasonably withhold, condition or delay its decision or action Whenever this Agreement requires Franchisor's acceptance, approval or consent, Franchisor shall have the right to grant or deny its acceptance, approval or consent in its discretion, but Franchisor shall not have the right to unreasonably withhold, condition or delay its grant or denial

2 GRANT

Franchisor grants to You, during the Term, and upon the terms and conditions in this Agreement, the right and license, and You accept the right, license and obligation, to operate the Franchised Business at the Location under the Marks and according to the System

3. PROTECTED TERRITORY

3 1 Protected Territory You acknowledge that the franchise granted under this Agreement is for the operation of a single Franchised Business at the Location approved by Franchisor During the Term, subject to the rights reserved in Section 3 2, neither Franchisor nor any Franchisor Affiliate shall, directly or indirectly, establish or operate, or grant any Person other than You the right to establish or operate, a SERENDIPITY LABS Business, at any site within the Protected Territory identified in Attachment 1

3 2 Reservation of Rights You agree that the franchise granted under this Agreement involves limited exclusivity, and that all rights not expressly granted to You in this Agreement are expressly reserved for Franchisor and Franchisor Affiliates, including the rights to

(a) Establish ~~or~~**, acquire and** operate, or grant others the right to establish**, acquire** and operate, SERENDIPITY LABS Businesses, or any Competitive Businesses, at any sites outside the Protected Territory, including sites near the Protected Territory's boundaries, on such terms and conditions that Franchisor deems appropriate, and otherwise offer and sell SERENDIPITY LABS products and services outside the Protected Territory

(b) Establish or operate, or grant others the right to establish and operate, Private SERENDIPITY LABS Businesses (i) outside the Protected Territory without offering or granting You any rights in those businesses, or (ii) inside the Protected Territory, subject to **Franchisor presenting to You, at least 120 days before opening, reliable and industry-standard documentation showing that any Private SERENDIPITY LABS Business to be opened inside the Protected Territory will be unlikely to cause a 10% or greater decline in the Gross Revenue of the Franchised Business, and subject to** giving You the Right of First Refusal to operate ~~those businesses~~**the Private SERENDIPITY LABS Business** inside the Protected Territory if You and Your Affiliates are in substantial compliance with this Agreement and all other agreements with Franchisor

(c) Establish or operate, or grant others the right to establish and operate, Limited Access SERENDIPITY LABS Businesses (i) outside the Protected Territory without offering or granting You any rights in those businesses, or (ii) inside the Protected Territory, **subject to Franchisor presenting to You, at least 120 days before opening, reliable and industry-standard documentation showing that any Limited Access SERENDIPITY LABS Business to be opened inside the Protected Territory will be unlikely to cause a 10% or greater decline in the Gross Revenue of the Franchised Business, and** subject to giving You the Right of First Refusal to operate ~~those businesses~~**the Limited Access SERENDIPITY LABS Business** inside the Protected Territory if You and Your Affiliates are in substantial compliance with this Agreement and all other agreements with Franchisor

(d) On the acquisition or merger of Franchisor by or with another entity operating businesses offering similar products and services, continue to offer, operate or grant others the right to establish and operate, through the resulting entity, similar businesses offering similar products and services under different trademarks within or outside the Protected Territory, subject to offering You

the first right to operate any new similar business to be located within the Protected Territory (as described below), but without offering or granting You any rights as to any businesses then located within the Protected Territory or as to any businesses then located or to be located outside the Protected Territory If You are in substantial compliance with your obligations under this Agreement, if the resulting entity offers franchises for the similar business, and if You meet the resulting entity's then-current criteria and qualifications for new franchisees of the similar business, the resulting entity shall offer You the first right to operate any such other business to be located within the Protected Territory To exercise this right, You shall sign the resulting entity's then-current form of franchise agreement for each such similar business to be located within the Protected Territory, **as modified by revisions that are substantially similar to any revisions to this Agreement that You have negotiated,** and shall deliver such signed franchise agreement to the resulting entity, together with payment of the Initial Franchise Fee due under the franchise agreement, within 60 days after the date You receive the resulting entity's then-current Franchise Disclosure Document If You are not in substantial compliance with this Agreement, if the resulting entity does not offer franchises for the similar business, if You do not meet the resulting entity's then-current criteria or qualifications for new franchisees of the similar business, or if the resulting entity offers You the first right to operate and You fail to exercise such right pursuant to the procedures set forth in this Section 3 2(d), (i) the resulting entity or an affiliate of the resulting entity shall have the right to operate any such similar business to be located within the Protected Territory, or to grant a third party the right to operate any such similar business to be located within the Protected Territory, without offering You any additional rights or paying You any compensation, and (ii) You shall have the right, on 60 days' prior written notice to the Franchisor, to terminate the Franchise and convert the Franchised Business to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If You terminate the Franchise in accordance with the foregoing sentence, Franchisor, You and Your Principals shall have the post-termination obligations and rights specified in this Agreement, including those specified in Sections 24 2-24 6, 24 7 (as to Confidential Information, but not as to non-competition), 24 8 and 24 12, and shall continue to have the obligations and rights specified in Sections 10 1, 16 2, 18 1, 19 1, 19 4, 19 8, 21, 25 and 26

(e) Operate and conduct, or grant others the right to operate and conduct, Other Brand Businesses (i) outside the Protected Territory, without offering or granting You any rights in those businesses, or (ii) inside the Protected Territory, **subject to Franchisor presenting to You, at least 120 days before opening, reliable and industry-standard documentation showing that any Other Brand Business to be opened inside the Protected Territory will be unlikely to cause a 10% or greater decline in the Gross Revenue of the Franchised Business, and** subject to giving You the Right of First Refusal to operate ~~any new~~**the** Other Brand Business ~~to be located~~ within the Protected Territory, if You and Your Affiliates are in substantial compliance with this Agreement and all other agreements with Franchisor and Franchisor Affiliates

(f) Develop, license or franchise other systems, different from the SERENDIPITY LABS system, involving non-competitive products or services under different trademarks, within or outside the Protected Territory, without offering or granting You any rights under those systems **You acknowledge that a "retail-focused brand" unit (i e. a business that offers its goods and services solely for sale at retail) which is situated in a "retail environment" (i.e in a shopping center or shopping mall composed of only retail use tenants), which has less than 10,000 total useable sf and less than 1,000 sf of dedicated offices or workstations, shall be**

deemed to be a unit in a system involving only non-competitive products or services, within the meaning of this Section 3 2(f).

(g) ~~Promote, provide, offer~~**Advertise** and ~~sell~~**promote**, and grant others the right to **advertise and** promote, provide, ~~offer and sell~~**anywhere in the United States, including within the Protected Territory**, SERENDIPITY LABS products and services through ~~alternative distribution channels~~**directed communications** (including ~~the Internet and similar electronic media or mail order channels~~**for example, Internet ads, emails, mailings, meetings, and/or telephone calls**), local, national and international media, and/or collective marketing programs, including national **programs** or Corporate Account Programs, subject to You being permitted to participate, on **non-discriminatory** terms and conditions that Franchisor ~~deems appropriate, in such channels and/or programs for such channels and/or programs, or to provide products or services directly to any customers~~**establishes in any business** generated ~~by such channels~~ and/or **in such national** programs~~, whether such customers are Clients, and whether they are located within or outside the Protected Territory~~ **or Corporate Account Programs**

(h) Advertise and promote ~~sales of or franchises for SERENDIPITY LABS Businesses generally, at any locations~~**, and grant others the right to advertise and promote, anywhere in the United States**, including ~~locations~~ within the Protected Territory**, the sale of** SERENDIPITY LABS Businesses **and SERENDIPITY LABS franchises generally**

(i) Operate one or more websites on the Internet**,** or ~~operate on any type of~~**participate on one or more** social media **sites,** that advertise the Franchised Business, allow Clients and prospective Clients to make reservations at SERENDIPITY LABS Businesses (including the Franchised Business**, subject to the terms of this Agreement**), or ~~permit~~**promote** other **commercial** activities ~~(whether or not similar)~~, even though the ~~website(s)~~ **websites and/**or social media **sites** are accessible to or viewable by Persons within the Protected Territory

(j) Acquire one or more existing facilities within the Protected Territory offering products and services that are similar to SERENDIPITY LABS products and services (whether or not those facilities opened before or after the Franchised Business), provided that the acquisition shall have been part of a transaction contemplating the acquisition of 3 or more facilities from a single seller, and continue to operate those facilities under different trademarks, but possibly associated using OASIS, pending resolution of the first right to operate procedure described below If You are in substantial compliance with your obligations under this Agreement, and if You meet Franchisor's then-current criteria and qualifications for new SERENDIPITY LABS system franchisees, Franchisor shall offer You the first right to operate all such facilities located within the Protected Territory as franchised SERENDIPITY LABS Businesses To exercise this right, You shall sign Franchisor's then-current form of franchise agreement for each such facility located within the Protected Territory, as modified by revisions that are substantially similar to any revisions to this Agreement that You have negotiated, and shall deliver such signed franchise agreement to Franchisor, together with (i) payment of the Initial Franchise Fee due under the franchise agreement, and (ii) a signed purchase agreement for all such facilities located within the Protected Territory in a form provided by Franchisor at a purchase price equal to the purchase price paid by Franchisor or a Franchisor Affiliate for the facility (for example, a purchase price based on a 12-month trailing EBITDA multiple) and any payment due under the purchase agreement, within 60 days after the date You receive Franchisor's then-current Franchise Disclosure Document If You are not in substantial compliance with this Agreement, if You do not meet Franchisor's then-current criteria or qualifications for new SERENDIPITY LABS system franchisees, or if Franchisor offers You the first right to operate and

You fail to exercise such right pursuant to the procedures set forth in this Section 3 2(j), (i) Franchisor or a Franchisor Affiliate shall have the right to operate any such facility located within the Protected Territory as a SERENDIPITY LABS Business, or to grant a third party the right to operate any such facility located within the Protected Territory as a SERENDIPITY LABS Business on terms no more favorable than those offered to You, without offering You any additional rights or paying You any compensation, and (ii) You shall have the right, on 60 days' prior written notice to Franchisor, to terminate the Franchise and convert the Franchised Business to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If You terminate the Franchise in accordance with the foregoing sentence, Franchisor, You and Your Principals shall have the post-termination obligations and rights specified in this Agreement, including those specified in Sections 24 2-24 6, 24 7 (as to Confidential Information, but not as to non-competition), 24 8 and 24 12, and shall continue to have the obligations and rights specified in Sections 10 1, 16 2, 18 1, 19 1, 19 4, 19 8, 21, 25 and 26

(k) Use or benefit from, or authorize others to use or benefit from, common or unique systems, programs and tools related to constructing, developing, training, advertising, marketing, managing and operating business systems, computer software, communications technologies, equipment, reservations, referrals, central purchasing and supplier arrangements, without being obligated to provide You access to any of the foregoing systems, programs and tools, unless Franchisor, in its discretion, makes such systems, programs and tools part of the System**, or makes them available to other similarly-situated SERENDIPITY LABS franchisees**

(l) Market, promote, advertise, service and perform all activities to obtain and service Corporate Account Clients, wherever they are located or need Business Services

4. SITE SELECTION, LOCATION AND OPENING

4 1 Site Selection On the execution of this Agreement, if the Location is not described in Attachment 1 on the Effective Date of this Agreement, You shall undertake continuing and diligent efforts to locate a site for the Franchised Business within the Assigned Area, which location must be acceptable to Franchisor in its discretion based on the Standards When You locate a proposed site, You promptly shall submit to Franchisor such specific site information as Franchisor reasonably requests, using the forms Franchisor may require, which information may include a description and/or photographs of the proposed site, demographic information, economic and other material terms of the lease, and any other information that Franchisor deems necessary to evaluate the proposed site Franchisor shall communicate its acceptance or rejection of the site within 30 days after the date it receives all applicable and reasonably requested information Franchisor may condition its acceptance on your agreement to enter into a direct lease with the lessor containing the terms set forth in Section 4 4 You acknowledge that the selection, procurement and development of a site for the Franchised Business is your responsibility, that in discharging these responsibilities You are encouraged to consult with real estate and other professionals of your choosing, and that Franchisor's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation or warranty, express or implied, by Franchisor that a SERENDIPITY LABS Business operated at that site will be profitable or otherwise will succeed On acceptance of a proposed site, the Location and Protected Territory shall be described in an amended Attachment 1 If the Location is not described in Attachment 1 on the Effective Date of this Agreement, and if You fail, despite diligent and continuing efforts, to locate a site for the Franchised Business that is acceptable to Franchisor, in its discretion, within 6 months after the

Effective Date of this Agreement, unless You are prevented from doing so by a Force Majeure event, Franchisor shall have the right to terminate this Agreement pursuant to Section 23 2(a)

4 2 Location You shall operate the Franchised Business only at the Location Except for the advertising and marketing authorized under this Agreement, You shall not, directly or indirectly, use or permit the use of the System or any of the Intellectual Property anywhere but the Location

4 3 Relocation You shall not relocate the Franchised Business without Franchisor's prior written consent If the lease for the Location expires or terminates without your fault, Franchisor shall permit You to relocate the Franchised Business to a new location within the Protected Territory that is acceptable to You and to Franchisor in its discretion, provided that (i) the new proposed site does not violate the territorial protection that may be afforded another SERENDIPITY LABS system franchisee, and (ii) operation of the Franchised Business at the proposed site would not, in Franchisor's reasonable business judgment, adversely affect the operation of another SERENDIPITY LABS system franchisee Any such relocation shall be at your sole cost and expense, and Franchisor shall have the right to charge You for any reasonable out-of-pocket party costs it incurs, and a reasonable fee for its services, in connection with any such relocation of the Franchised Business You shall have acquired a site that is acceptable to Franchisor in its discretion, and shall re-open the Franchised Business at the new location, (i) within 180 days after closing the existing Franchised Business, or within such longer period as may be reasonably required so long as You are diligently pursuing alternative space, if relocation was due to a Force Majeure event, or (ii) on the Business Day after the closing of the existing Franchised Business if relocation was due to expiration or termination of your lease, or another reasonably foreseeable circumstance If You fail to substantially comply with the terms of this Section 4 3, Franchisor shall have the right to terminate this Agreement on notice to You, provided, however, that if You are delayed in complying with the terms of this Section 4 3, You shall be permitted to arrange to provide Clients with access to substitute facilities acceptable to Franchisor for up to a 30-Business Day period, and Franchisor shall not have the right to terminate this Agreement during that period

4 4 Lease As a condition for accepting a proposed site, Franchisor may require that (i) You must enter into a rider to the lease with the landlord and Franchisor substantially in the form shown in Attachment 4, subject to your and/or the landlord's right to request Franchisor's approval of changes to the rider, which approval may not be unreasonably withheld, conditioned or delayed, and (ii) You must deliver a copy of the executed lease to Franchisor within 10 Business Days after the date it is executed Your failure to enter into the above-referenced rider to the lease shall constitute a material default of this Agreement

4 5 Permits and Licenses You are responsible for obtaining all zoning classifications and clearances required by state or local laws, ordinances or regulations, or that are necessary as a result of any restrictive covenants relating to the premises Before beginning the construction of the Franchised Business, You must (i) obtain all permits, licenses and certifications required for the lawful construction and/or build-out of the Franchised Business, and (ii) certify in writing to Franchisor that You have obtained the insurance coverage specified in Section 15, and that You have obtained all required approvals, clearances, permits and certifications On reasonable request, You must provide to Franchisor copies of your insurance certificates, and copies of all approvals, clearances, permits and certifications

4 6 Building Plans Franchisor shall provide You with prototypical plans and specifications for the build-out, internal layouts, signs, fixtures and furniture for a prototypical SERENDIPITY LABS Business You shall engage an architect acceptable to Franchisor in its

discretion, to prepare drawings for the Franchised Business, based on the plans and specifications provided by Franchisor, and shall submit the drawings prepared by your architect to Franchisor for review Franchisor shall communicate its acceptance or rejection of the drawings within 30 days after receiving them Once Franchisor has accepted the drawings, they shall not be materially revised for any reason without Franchisor's prior written consent, which consent may not be unreasonably withheld, conditioned or delayed You acknowledge that Franchisor's acceptance of the drawings does not constitute its representation or warranty, express or implied, by Franchisor that the drawings are free of architectural or other design errors, or that the drawings substantially comply with applicable building or zoning laws You hereby waive all claims against Franchisor, Franchisor Affiliates, and their present and former officers, directors, shareholders and employees, arising out of Franchisor's review of the drawings

4 7 Construction and Build-Out You shall engage a qualified general contractor or project manager to construct and/or build-out the approved site according to the Standards You shall provide Franchisor, from time to time, such periodic reports as Franchisor may reasonably request concerning the progress of the construction and/or build-out In addition, Franchisor shall have the right and license to enter onto the site for purposes of inspecting the work, and evaluating the progress of construction and/or build-out, subject to the following conditions (i) Franchisor shall give You 48 hours' prior written notice of the site inspection, (ii) Franchisor shall confirm to You that its and/or its representatives conducting the site inspection are covered by workers' compensation insurance, (iii) Franchisor, on behalf of itself and its representatives, shall waive any claim against You for any damage or injury occurring while it and/or its representatives are on the site, (iv) Franchisor shall be liable to You for any damage at the site caused by it and/or its representatives, and (v) Franchisor and/or its representatives shall agree to substantially comply with any safety requirements before entering onto the site

4 8 Opening Unless ~~You are~~ prevented ~~from doing so~~ by a Force Majeure event, **or unless prevented by the action or inaction of the managing entity if Franchisor or a Franchisor Affiliate is managing** the Franchised Business **under a management agreement,** You shall open the Franchised Business for business on or before the Opening Date ~~You may not open the Franchised Business until Your Principals have completed the initial training program described in Section 13 1 and You have received written approval from Franchisor based on the Standards~~

5. TERM AND RENEWAL

5 1 Initial Term Subject to your right of renewal set forth in Section 5 2, this Agreement shall continue in force for the Term, unless earlier rightfully terminated as provided herein

5 2 Renewal You shall have the right to renew the franchise granted under this Agreement for additional, successive **and unlimited** 5-year terms, provided that You have substantially satisfied all of the following conditions before and/or at the time of renewal, as determined by Franchisor in its discretion

(a) You have given Franchisor written notice of your election to renew not less than 6 months, nor more than 12 months, before the Expiration Date of this Agreement,

(b) You have substantially complied with all of your obligations under this Agreement and any other agreements between You and Franchisor or any Franchisor Affiliate, and You are not in material default of this Agreement or any other agreement between You and Franchisor or any Franchisor Affiliate, at the time You deliver written notice of your intention to renew and as of the effective date of renewal,

(c) On Franchisor's reasonable request, You present satisfactory evidence that You have the right to remain in possession of the premises of the Franchised Business for the duration of the renewal term,

(d) At Franchisor's reasonable request, You have substantially performed or agreed to substantially perform (in a writing reasonably satisfactory to Franchisor), prior to the Expiration Date of this Agreement and at your expense, all repairs, maintenance, renovation or refurbishment of the Franchised Business and/or the premises of the Franchised Business, including possibly Capital Improvements necessary to ~~bring~~**remodel** the Franchised Business ~~into conformity~~**so that it conforms** with the Standards for new SERENDIPITY LABS Businesses, provided, however, that (i) ~~any~~**such** new Standards apply generally to all then-renewing franchised SERENDIPITY LABS Businesses, and (ii) You shall not be required to expend more than $100,000 per renewal to comply with this Section 5 2(d),

(e) You have executed Franchisor's then-current form of renewal franchise agreement, which shall supersede this Agreement in all respects and the terms of which may differ from the terms of this Agreement, except that (i) the 1st renewal franchise agreement shall contain revisions that are substantially similar to any revisions to this Agreement that You have negotiated, (ii) the economic terms specified in this Agreement, such as the Continuing Services Fee, the National Marketing Support Fund contribution, other fees and cost caps, and the advertising expenditure requirements, shall remain the same in the 1st renewal franchise agreement, and (iii) no Initial Franchise Fee **or OASIS Setup Fee** shall be due,

(f) You and Your Controlling Owners have executed and delivered to Franchisor a general release (in a form prescribed by Franchisor) of all claims against Franchisor and Franchisor Affiliates, and their respective present and former officers, directors, shareholders, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under this Agreement and any other agreements, and under federal, state or local laws, rules, regulations or orders, and

(g) You are in substantial compliance with Franchisor's then-current qualifications and training requirements for new SERENDIPITY LABS system franchisees

6. YOUR AND FRANCHISOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS

6 1 Acknowledgment You acknowledge and agree that the rights granted in this Agreement relate only to the operation of the Franchised Business, and that Franchisor has all rights expressly reserved under Section 3 2 regardless of their competitive effect on the Franchised Business

6 2 Commercially Reasonable Efforts You shall use commercially reasonable efforts to operate the Franchised Business, and shall use commercially reasonable efforts to promote the products and services offered by the Franchised Business

6 3 Working Capital You shall use commercially reasonable efforts to ensure that adequate financial resources are available for the operation of the Franchised Business by way of working capital, and otherwise shall ensure that You are able to fulfill all of the obligations contained in this Agreement

6 4 Non-Individual Franchisee If You are not an individual, then You represent, warrant and covenant that

(a) You are duly organized and validly existing under the state law of your formation

(b) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by You require such qualification

(c) Your Governing Documents shall at all times confine your activities exclusively to the operation of one or more SERENDIPITY LABS Businesses, unless Franchisor otherwise consents in writing

(d) You have the power and authority, under your Governing Documents and applicable law, to enter into this Agreement and to substantially perform all of your obligations under this Agreement

(e) Your Governing Documents shall at all times restrict Transfers of all Ownership Interests, consistent with the Transfer restrictions contained in Section 20

(f) You shall at all times be the tenant or owner of the real estate on which the Franchised Business is operated, and shall lease or own all of the assets of the Franchised Business, including all fixtures, furnishings and equipment

(g) Copies of your Governing Documents, resolutions authorizing entry into and performance of your obligations under this Agreement, buy-sell agreements or other documents restricting the sale or Transfer of any Ownership Interests in You, and any other ownership control documents reasonably requested by Franchisor, have been furnished to Franchisor before the Effective Date of this Agreement, and You shall provide Franchisor copies of any modifications to those documents

(h) Ownership Interests in You are accurately and completely described in Attachment 3 You shall maintain at all times a current list of Persons having Ownership Interests in You You shall promptly notify Franchisor of any changes to the Ownership Interests set forth in Attachment 3, and shall promptly deliver to Franchisor updated lists reflecting all changes

(i) Each certificate representing an Ownership Interest in You shall have conspicuously endorsed on it a statement that the certificate is held subject to all Transfer restrictions contained in this Agreement

(j) If, after the Effective Date of this Agreement, any individual ceases to qualify as one of Your Principals, or if any individual becomes one of Your Principals, You shall notify Franchisor in writing within 5 Business Days after the change~~, and any~~ **. Any** individual becoming one of Your Principals shall promptly execute the Confidentiality Agreement and Ancillary Covenants Not to Compete as set forth in Attachment 5 **As a matter of clarification, any individual who becomes one of Your Owners, but who does not become involved in the day-to-day management of the Franchised Business, is not given access to the Manuals and does not attend any training programs of Franchisor, shall not be one of Your Principals or be required to execute a Confidentiality Agreement and Ancillary Covenants Not to Compete**

(k) Your Controlling Owners shall, jointly and severally, guarantee performance of all of your obligations, covenants and agreements under this Agreement, and shall otherwise bind

themselves to the terms of this Agreement by executing the Undertaking and Guaranty included in Attachment 2

(l) The representations, warranties and covenants set forth in this Section 6 4 are continuing obligations of You Any failure to substantially comply with these representations, warranties and covenants shall constitute a material default of this Agreement You shall reasonably cooperate with Franchisor in any efforts made by Franchisor to verify substantial compliance with these representations, warranties and covenants

6 5 Effect of Non-Compliance You acknowledge and agree that the representations, warranties and covenants set forth above are continuing obligations of You, and that a material breach of these representations, warranties and covenants shall constitute a material default of this Agreement You shall reasonably cooperate with Franchisor in any efforts made by Franchisor to verify substantial compliance with such representations, warranties and covenants

6 6 Compliance with Legal Requirements You agree to substantially comply with all Legal Requirements applicable to the operation of the Franchised Business

6 7 Compliance with Agreement You agree to substantially comply with all requirements of, and to substantially perform all obligations imposed by, this Agreement

6 8 Franchisor's Representations, Warranties and Covenants Franchisor represents, warrants and covenants that (i) it owns or has the right to license all of the Intellectual Property associated with the System, (ii) it has the authority to enter into this Agreement, which will not violate any other agreements by which Franchisor and/or Franchisor Affiliates are bound, (iii) Franchisor, the System and Franchisor's marketing and rewards programs are in substantial compliance with all applicable laws, rules and regulations, (iv) similar (but not identical) restrictive covenants and marketing program participation requirements are imposed on all of its non-Franchisor Affiliate franchisees, (v) Franchisor intends to use commercially reasonable efforts, when appropriate, to enforce the restrictive covenants imposed on its franchisees, (vi) Franchisor will not enter into any agreement in the future that will contradict or circumvent the rights granted to You under this Agreement, (vii) Franchisor will use commercially reasonable efforts to protect the System and the Intellectual Property against infringers, and (viii) Franchisor will use commercially reasonable efforts to maintain its federal and international Intellectual Property registrations To the extent that You are asked by Franchisor to assist in the maintenance of Franchisor's registrations, Franchisor will pay or reimburse You for any reasonable out-of-pocket costs associated with such assistance

7. FEES

It is expressly understood and agreed that You shall only be required to pay to Franchisor and Franchisor Affiliates the fees, contributions and other amounts specified in Attachment 1 and elsewhere in this Agreement, and, notwithstanding anything to the contrary **contained in this Agreement, that neither Franchisor, nor any Franchisor Affiliate, nor any other person acting by or though Franchisor or any Franchisor Affiliate, shall have the right to require You to pay any other fees, contributions or other amounts. Franchisor represents and warrants that (i) the fees, contributions and other amounts specified in Attachment 1 and elsewhere this Agreement are not duplicative, (ii) Franchisor requires all franchisees to pay the same fees, contributions and other amounts as those specified in Attachment 1 and elsewhere in this Agreement, with certain non-negotiated or negotiated exceptions, and (iii)**

any permitted changes to the fees, contributions and other amounts specified in Attachment 1 and elsewhere in this Agreement shall be based on changes that are applied to all franchisees uniformly, to the extent contractually permitted.

7 1 Initial Franchise Fee You shall pay to Franchisor the Initial Franchise Fee in the amount and in the manner set forth in Attachment 1 (net of any Development Credit received under any Development Agreement) ~~Except as described in this Section 7 1, the~~ **The** Initial Franchise Fee is fully earned and ~~nonrefundable when paid If, before the successful completion of your initial training, Franchisor, in its sole and absolute right, decides that You should not operate a Franchised Business, Franchisor may cancel this Agreement If Franchisor cancels this Agreement for that reason, Franchisor will refund to You an amount equal to 50% of the Initial Franchise Fee You actually paid, if You agree to terms substantially similar to those in Sections 10, 16 2, 16 3, 16 4, 24 and 26, and if You execute a general release in favor of Franchisor and Franchisor Affiliates, and their respective former and present officers, directors, shareholders, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under this Agreement and any other agreements, and under federal, state and local laws, rules and regulations or orders~~ **non-refundable on the execution of this Agreement.**

7 2 Continuing Services Fee For each Accounting Period, You shall pay to Franchisor the Continuing Services Fee in the amount and manner set forth in Attachment 1, which shall be received by Franchisor no later than the Payment Date

7 3 Additional Assistance Fee ~~From time to time~~**If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement,** at your request **and subject to your approval**, Franchisor may agree to provide You with such additional assistance as Franchisor deems appropriate in its discretion To the extent that Franchisor agrees to provide such additional assistance, You shall pay to Franchisor ~~a per diem~~**an** Additional Assistance Fee ~~in the amount of $1,000 per day for each individual providing assistance, plus all reasonable travel, lodging and dining expenses for each individual providing on-site assistance~~**, except that this fee shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement**

7 4 Intervention and Reimbursement If You receive a Client complaint and are unable to resolve the complaint to the Client's and/or Franchisor's reasonable satisfaction, Franchisor has the right to intervene and resolve the complaint with the Client~~, and also has the right to reimbursement from You for any reasonable amount it pays to resolve the complaint, if Franchisor confers with You in good faith before agreeing to resolve the complaint~~ If Franchisor receives a complaint directly from a Client of yours (not a Corporate Account Client), Franchisor will first refer the complaint to You, to enable You to endeavor to resolve the complaint If You receive a complaint from a Corporate Account Client, You will promptly refer the complaint to Franchisor, and Franchisor will control the discussions with the Corporate Account Client about the complaint If You refer such a complaint to Franchisor, or if Franchisor receives a complaint about You directly from a Corporate Account Client, Franchisor has the right to resolve the complaint~~, and~~ **with the Corporate Account Client. Franchisor** has the right to reimbursement from You for any reasonable amount **that** it pays to resolve ~~the~~**Client** complaint**(s) and/or Corporate Account Client complaint(s) on your behalf**, if Franchisor confers with You in good faith before agreeing to resolve the complaint**(s)**

7 5 No Right to Set-Off by You All amounts due to Franchisor under this Agreement shall be paid in full without any deduction or withholding other than as required by law You shall not be entitled to assert any credit, set-off or counterclaim against Franchisor in order to justify withholding payment of any such amount in whole or in part Franchisor may suspend any services otherwise owed to You if You are in default, and may set off any monies it owes You against any amounts You owe to it at any time

7 6 Payments Fully Earned and ~~Nonrefundable~~**Non-Refundable** Except as otherwise expressly provided in this Agreement, all fees and contributions required to be paid under this Agreement shall be deemed fully earned and ~~nonrefundable~~**non-refundable** on payment**, unless paid with a written notice of dispute concerning such payment**

7 7 Taxes on Payments The parties acknowledge that certain fees and other amounts payable by You to Franchisor may be subject to Taxes owed by You Fees and any other amounts payable to Franchisor hereunder shall be paid by You without any deduction for Taxes owed by You, it being the parties' intention that all payments due Franchisor hereunder and payable by You shall not be reduced by any Taxes owed by You You shall, to the extent required to meet Legal Requirements (i) remit to the appropriate taxing authorities, in a timely manner, all Taxes owed by You based on payments made to Franchisor, (ii) provide to Franchisor official receipts issued by such taxing authorities for such Taxes, and (iii) set forth in the reports the amounts of such Taxes and the payments made to Franchisor to which they relate

7 8 Interest and Collection Costs ~~In the event that You do not~~**Unless Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement and a failure to pay occurs even though there are adequate funds in the Franchised Business's bank account to make payment, if You fail to** pay any ~~amounts~~**amount** rightfully due to Franchisor on or before the due ~~dates~~**date**, such ~~amounts~~**amount** shall bear interest from day to day at the maximum of 12% per annum or the maximum rate permitted by applicable law, whichever is less, from the due ~~dates~~**date** until payment is received by Franchisor You shall pay all of Franchisor's costs, charges and expenses directly or indirectly incurred in obtaining or otherwise enforcing payment by You of any ~~amounts~~**amount** rightfully due, including reasonable attorneys' fees, if applicable If You are successful in disputing Franchisor's right to the payment by You of any ~~amounts~~**amount** allegedly due, no interest shall be payable on the successfully disputed ~~amounts~~**amount**, and Franchisor shall pay all of your costs, charges and expenses directly or indirectly incurred in successfully disputing any ~~amounts~~**amount** claimed by Franchisor to be rightfully due, including reasonable attorneys' fees, if applicable

7 9 EFT Payments By executing this Agreement, You agree that**, unless Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement,** Franchisor may, at its option, withdraw funds from your designated bank account by EFT to cover Continuing Services Fees, the National Marketing Support Fund contributions, and any other amounts rightfully due to Franchisor Franchisor shall make each EFT withdrawal either on the Payment Date (with respect to Continuing Services Fees, National Marketing Support Fund contributions, and other periodic fees and contributions), or within 5 Business Days after the obligations accrue (with respect to all other fees and monetary obligations), provided that the day of withdrawal is a Business Day (and if that day is not a Business Day, on the next succeeding Business Day) Franchisor shall have the right to determine the amount of the EFT based on information and reports submitted by You and/or data entered into the Software, which may be independently accessed by Franchisor On the execution of this Agreement, You shall execute a document in the

form of Attachment 6, granting to Franchisor the authority to process EFTs from your designated bank account As necessary and at Franchisor's request, You shall execute any additional documents necessary to confirm or update this authority You shall be responsible for (i) any EFT fee or similar charge imposed by your bank, and (ii) any service charges applied by Franchisor and/or your bank should any EFT not be honored by your bank for any reason Throughout the Term, You shall maintain a minimum balance in the bank account against which EFTs are to be drawn under this Agreement reasonably sufficient to satisfy the anticipated payments hereunder Your failure to substantially comply with the terms of this Section 7 9 shall constitute a material default of this Agreement

7.10 Fees and Costs If There Is Management Agreement If Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement, Franchisor or the managing entity: (i) shall not be entitled to charge fees to You for facilitating improvement plans, product design services, hosted telephone and internet circuits, or third-party reservations, but shall be entitled to seek reimbursement from You for reasonable out-of-pocket third-party costs incurred in connection with such activities to the extent You pre-approve the activities; (ii) shall be entitled to charge fees to You for providing procurement services only to the extent provided in the management agreement, and shall be entitled to seek reimbursement from You for reasonable out-of-pocket third-party costs incurred in connection with providing such services to the extent You pre-approve the services; and (iii) in relation to rewards programs, shall be entitled to charge You only for incremental out-of-pocket costs incurred based on actual program redemptions.

7.11 Unapproved Item or Supplier Fee See Section 8.2(a).

8. STANDARDS OF OPERATION

8 1 Franchised Business Operation and Appearance, Resolution of Client Complaints You understand the importance of maintaining uniformity of operation and appearance among all of the SERENDIPITY LABS Businesses, and the importance of substantially complying with the Standards Therefore, You agree to maintain the Franchised Business in a high degree of sanitation, repair and condition in accordance with the Standards, and to make, at your expense, all reasonable Capital Improvements prescribed by Franchisor (subject to the limitations set forth in Section 17 1) You acknowledge that the consistency and quality of client service are material to this Agreement and the relationship created hereby Therefore, You shall endeavor to maintain a high level of consistency and quality in the operation of the Franchised Business, and shall at all times give prompt, courteous and efficient service to Clients of the Franchised Business, in accordance with the Standards In addition, the Franchised Business shall, in all dealings with Clients, vendors and the general public, adhere to accepted industry standards of honesty, fair dealing and ethical conduct If You are unable to resolve a complaint to a Client's or Franchisor's reasonable satisfaction, or if Franchisor deems that You did not fairly handle a Client complaint, Franchisor shall have the right to intervene and resolve the complaint with the Client, and Section 7 4 shall apply

8 2 Suppliers You recognize that the quality and consistency of the products and services offered at the Franchised Business are essential conditions of this Agreement Therefore, You agree to the following terms

(a) ~~Franchisor has the right to require You to~~**In the construction, build-out and operation of** the Franchised Business, **You shall** purchase**, lease**, install and use ~~certain~~**only those** fixtures, furnishings, equipment (including the Computer Systems), business services, supplies, materials, and other items ~~used or offered for sale at the Franchised Business, from Franchisor, a Franchisor Affiliate or from third~~ **that Franchisor has approved, and shall purchase or lease such items only from suppliers that Franchisor has approved, which approved suppliers may include Franchisor, Franchisor Affiliates or third-**party approved suppliers To the extent that Franchisor has identified one or more approved suppliers (including it or Franchisor Affiliates) for ~~any item~~**such items**, You shall purchase ~~the item~~**such items** only from the approved ~~supplier(s)~~**suppliers**, unless You have received Franchisor's **prior** written approval of a different supplier according to the procedures stated in this Section 8 2(a) To request Franchisor's **prior written** approval of a different supplier, You or the supplier shall submit to Franchisor a written request for approval of the supplier and provide sufficient information for Franchisor to evaluate the request Franchisor may request additional information You shall provide Franchisor the opportunity to inspect and test the supplier's products, services and facilities Franchisor shall have the right to obtain from the supplier, samples of products, or to have access to, receive and test services that may be offered, such as office, telecommunications and computer services Franchisor may charge You the reasonable out-of-pocket costs associated with any related inspection or testing If Franchisor's personnel are required to travel to perform any related inspection or testing, You must pay their reasonable out-of-pocket expenses, plus Franchisor's then-current per diem charges Franchisor shall attempt in good faith to notify You in writing of its approval or denial of any request for approval of a different supplier within ~~30~~**60** days after Franchisor receives your written request and all related information **Franchisor shall not be obligated to approve any different supplier You propose, and may withhold approval in its discretion.** Franchisor may, at its option, re-inspect from time to time the products, services and facilities of any supplier approved at your request, and may revoke its written approval if the supplier fails to continue to meet the Standards **If You purchase, lease, install or use any unapproved item contrary to this Section 8.2(a), or purchase any item from an unapproved supplier contrary to this Section 8.2(a), Franchisor shall have the right to charge you an unapproved item or supplier fee equal to $500 per day of use of such item in the construction, build-out or operation of the Franchised Business, payable within 10 days after Franchisor invoices the fee Franchisor's right to charge such fee shall be in addition to any other remedies available to Franchisor under this Agreement or applicable law.**

(b) Except as provided in Section 8 2(a), You shall purchase all fixtures, furnishings, equipment (including the Computer Systems), business services, supplies, materials, and other items used or offered for sale at the Franchised Business only from suppliers (including manufacturers, distributors and other sources) who provide products or services that meet the Standards, and who possess adequate quality controls and capacity to supply your needs promptly and reliably

(c) You acknowledge that Franchisor and Franchisor Affiliates may, and have the right to, negotiate purchase **or lease** arrangements with approved suppliers You further acknowledge and agree that, in undertaking such negotiations, Franchisor (or, a Franchisor Affiliate, as applicable) is not acting as your fiduciary, agent or intermediary, or on your behalf, and that Franchisor (or a Franchisor Affiliate, as applicable) may receive rebates and other material consideration based on your purchases **or leases** from approved suppliers, without liability to You

8 3 Compliance with Standards You shall operate the Franchised Business in substantial compliance with the Standards Franchisor may modify the Standards on reasonable written notice

to You, **so long as such modifications are implemented on a fair and consistent basis at all SERENDIPITY LABS Businesses to the extent applicable, practicable and permitted by contract** If You desire a modification or waiver of any Standard, You shall submit to Franchisor a written request for approval of the modification or wavier, in which You explain the reasons for the requested modification or waiver and provide sufficient information to enable Franchisor to evaluate your request Franchisor may request additional information Franchisor shall not be obligated to consider any request for modification or waiver of a Standard As to any request Franchisor considers, it may approve or deny the request in its discretion Franchisor may charge You the reasonable out-of-pocket costs associated with any related inspection or testing If Franchisor's personnel are required to travel to perform any related inspection or testing, You must pay their reasonable out-of-pocket expenses, plus Franchisor's then-current per diem charges If Franchisor considers a request, it shall attempt in good faith to notify You in writing of its approval or denial of the request within 30 days after Franchisor receives your written request and all related information Franchisor may revoke any previous approval of a modification or waiver of a Standard, in its discretion and on reasonable written notice to You, based on factors such as protection of the reputation and goodwill of the System, changes in the System, changes in management approach, and competition

8 4 Franchised Business Operations To ensure that a high degree of quality, service and integrity of service to Clients under the System is maintained, You agree to substantially perform the following obligations

(a) To continuously operate the Franchised Business on such days and between such hours as Franchisor may specify from time to time, as set forth in the Manuals or otherwise The hours specified shall apply to your local time zone

(b) To offer and sell all products and services that Franchisor requires to be offered and sold by SERENDIPITY LABS Businesses generally, to offer and sell such products and services in the manner and style, and through such methods of distribution, that Franchisor prescribes for SERENDIPITY LABS Businesses generally, and to execute any documents or instruments that Franchisor deems necessary for SERENDIPITY LABS Businesses generally to facilitate provision of such products and services You acknowledge that Franchisor has the right to develop for use under the System certain proprietary products and services, which may include branded promotional merchandise such as stationery, office supplies and clothing

(c) To offer and sell only the products and services that Franchisor has expressly approved for sale in writing, and to offer and sell such products and services only in the manner and style, and through such methods of distribution, that Franchisor has authorized, to discontinue offering or selling any products or services that Franchisor has disapproved for sale, and to refrain from offering or selling products or services through any unauthorized method of distribution

(d) To offer and sell, to maintain in sufficient supply, and to use in connection with the operation of the Franchised Business, only those products and services that conform to the Standards (including products specified by name or brand), and to refrain from deviating from the Standards by offering, selling or using nonconforming products or services

(e) To purchase or lease, to install, and to maintain, at your expense, all fixtures, furnishings, equipment (including the Computer Systems), decor items, signs and related items as Franchisor may reasonably direct from time to time in the Manuals or otherwise**, so long as fixture, furnishing, equipment, décor item, sign and other item requirements are implemented on a fair**

and consistent basis at all SERENDIPITY LABS Businesses to the extent applicable, practicable and permitted by contract, and to refrain from installing or permitting to be installed on or about the premises of the Franchised Business, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs, games, vending machines or other items not previously approved as meeting the Standards If You lease any of the property described in this Section 8 4(e), You shall submit a copy of the lease to Franchisor for its written approval by Franchisor at least 30 days before execution Franchisor's written approval may be conditioned on the lease containing a provision that permits your interest in the lease to be assigned to Franchisor on the expiration or rightful termination of this Agreement, and that prohibits the lessor from imposing an assignment or other fee on Franchisor in connection with the assignment

(f) ~~To~~**If Franchisor or a Franchise Affiliate is not managing the Franchised Business under a management agreement, to** grant Franchisor and its agents the right to enter on the premises of the Franchised Business periodically during normal business hours for the purposes of carrying out any audits and inspections that Franchisor deems appropriate, including quality assurance audits and interviews with personnel of the Franchised Business~~,~~ **Those audits and inspections shall be done** on the condition that (i) any audits of books and records will be done **at the Location** no more than twice annually on 30 days' prior written notice to You, (ii) any inspections will be scheduled in advance at mutually agreed times, (iii) the information obtained during any audits and inspections will be kept confidential by Franchisor, and (iv) any feedback, coaching or suggestions given by Franchisor to any personnel of the Franchised Business during audits or inspections will be informational and non-mandatory, subject to You acknowledging that "secret shopping" and other non-intrusive reviews of the operation of the Franchised Business may be conducted at any time, with or without notice to You, and subject to You acknowledging that You may be required to communicate with, give instructions to, train or retrain those personnel during or after the inspection in order to bring the operation of the Franchised Business into substantial compliance with the System~~;~~. **You agree** to reasonably cooperate with Franchisor's representatives in those audits and inspections by rendering any assistance that they may reasonably request~~, and, on~~. **On written** notice **to You** from Franchisor or its agents **specifying any deficiencies,** and without limiting Franchisor's other rights under this Agreement, **You agree** to take any steps that may be reasonably necessary to correct any **specified** deficiencies detected during ~~any~~**those audits and** inspection If You fail, for any reason, to correct the deficiencies ~~noted during any~~**specified in any written notice to You after any audit or** inspection within a reasonable time (as reasonably determined by Franchisor, but in no event less than 30 days), Franchisor shall have the right but not the obligation to ~~correct~~**cause** the deficiencies **to be corrected**, and to charge You ~~its~~**the** reasonable out-of-pocket **third-party** costs **it occurs** for performing such service, payment of which costs shall be due within 30 days after demand In addition, if Franchisor determines ~~on~~**during any** inspection, in its discretion, that the Franchised Business fails to meet the minimum quality assurance requirements then in effect under the System, Franchisor shall have the right to re-inspect the Franchised Business, **to charge You for its reasonable out-of-pocket** travel, lodging and dining, **costs related to re-inspection,** and to charge a re-inspection fee of ~~$1,000, which You agree is reasonable to help defray Franchisor's costs in conducting the re-inspection~~ **1,000** If Franchisor claims that as a result of an audit, You owe monies to Franchisor, then Franchisor will provide You ~~copies of the~~**with written** audit results, and You will have the right to dispute the audit results within 30 days

(g) Promptly to deliver to Franchisor any and all data and information that Franchisor reasonably requests concerning You, your financial position, or any matter relating to the

operation of the Franchised Business with the understanding that Franchisor shall be required to substantially comply with the second paragraph in Section 10 1 as to that data and information

(h) To allow Franchisor and its representatives to photograph the interior and exterior of the Franchised Business on reasonable prior notice to You at a time that is reasonably acceptable to You, and to use such photographs for any purpose that Franchisor deems fit, without compensation to You

8 5 Staffing Requirements ~~To~~**If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, to** ensure that a high degree of quality and service is maintained, You agree to maintain a competent, conscientious and trained staff, and to take all steps that are necessary to ensure that You build and maintain good client relations In particular, You agree

(a) To ensure that all personnel are trained to adhere to the Standards

(b) To ensure that the Franchise Manager and the Sales Manager, and replacements for the Franchise Manager and the Sales Manager, attend and successfully complete Franchisor's initial training program, and before attending, execute Confidentiality Agreements and Ancillary Covenants Not to Compete as set forth in Attachment 5

(c) To have sufficient staffing at the Franchised Business at all times

(d) To ensure that all personnel present neat, clean and professional appearances, and provide competent, sober and courteous service to Clients

8 6 Payments of Debts You shall timely satisfy all of your valid debts owed to Franchisor, Franchisor Affiliates and third parties To the extent that You purchase any products or services from Franchisor, a Franchisor Affiliate or third -party suppliers, You shall pay for such products and/or services within the credit period stated in the relevant invoice, provided that with respect to Franchisor and any Franchisor Affiliate, such credit period shall be 30 days

8 7 Computer Systems

(a) Franchisor may require You and other operators of SERENDIPITY LABS Businesses to use a common type or version of the Computer Systems, which may include computer hardware and software applications for, among other things, the Reservation System (as described in Section 11), or which may assist You in account processing, inventory, order tracking, accounting and other operations-related functions Requirements for the Computer Systems will be communicated to You in the Manuals Among other features, the Computer Systems may include remote servers, off-site electronic information repositories and Internet connections To the extent that the Computer Systems support modules for personnel-related functions, such as employee timekeeping, employee scheduling or payroll processing, You shall have the option to use those modules, to use alternate software to handle those functions, or to handle those functions in any other manner that You choose

(b) You acknowledge that Franchisor may develop or may have developed proprietary Software for use by SERENDIPITY LABS Businesses To the extent that Franchisor develops and requires the use of the proprietary Software, within 30 days after receiving notice from Franchisor, You shall acquire such Software, and shall acquire, install and use all computer hardware necessary to use the Software Franchisor has the right to develop and require You to use Software upgrades that may be developed from time to time, and to add to or substitute Software requirements

You must substantially comply with all Software requirements within 30 days after receiving notice of the requirements

(c) You shall execute all Software Licenses and Software Maintenance Agreements prescribed by Franchisor, and shall execute a Terms of Use Agreement in the form attached as Attachment 8 You acknowledge that Franchisor or a Franchisor Affiliate has the right to charge reasonable Software License fees and technical support fees relating to the use of the Computer Systems and Software, and You agree to pay all such fees

(d) You agree to pay the OASIS Service Delivery Platform Support Fee and the Software Technical Support Fee in the amounts and manner set forth in Attachment 1

(e) You acknowledge that Franchisor may independently access from a remote location, at any time, all information input into, and compiled by, the Computer Systems or an off-site server, including information concerning Gross Revenue, Client information, inventory and expenditures Franchisor may access this information directly from an off-site server, through telephone access (using interfacing Software), through Intranet or Internet communication, or by any other means that Franchisor elects, at no cost to You

8 8 Intranet Franchisor has established an Intranet for the SERENDIPITY LABS system You agree as follows

(a) You shall participate in the Intranet and pay all fees and charges that may be imposed by the Intranet service provider or host in connection with your participation, which fees may include periodic hosting fees

(b) You acknowledge and agree that Franchisor is not obligated to maintain the Intranet indefinitely, and may discontinue it at any time without incurring any liability to You

(c) You shall execute a Terms of Use Agreement in the form attached as Attachment 8

(d) You acknowledge that, as administrator of the Intranet, Franchisor may and has the right to access and view any communication posted on or transmitted through the Intranet by any Person

(e) You shall purchase and install all Software and computer hardware components necessary to establish, maintain connection to and use the Intranet to its fullest operations-related capacity, and any future enhancements, additions, substitutions, upgrades and modifications that Franchisor requires

(f) Franchisor may suspend your access to the Intranet (or any portions thereof) during any period that You are not in substantial compliance with this Agreement, the Standards and the Terms of Use Agreement, if You have not cured such non-compliance within 10 Business Days after Franchisor gives written notice to You of such non-compliance You hereby waive any claim that You may at any time have arising out of or related to any rightful suspension, and release Franchisor and Franchisor Affiliates, and their respective present and former officers, directors, shareholders, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising therefrom Franchisor's right to suspend your use of and access to the Intranet shall not constitute an election of remedies, and may be exercised instead of, or in addition to, any other remedies available to Franchisor under this Agreement or applicable law

8 9 Telephone and Internet Service You shall ensure that all telephone and Internet services used in connection with the operation of the Franchised Business are contracted for in your name, or the name of a supplier approved by Franchisor if technical considerations require such services to be contracted for in the supplier's name You shall promptly pay in full all invoices for such services, and, at Franchisor's reasonable request, promptly provide Franchisor with proof of your payments

8 10 Power of Attorney On expiration of this Agreement, or on rightful termination of this Agreement under Section 23 1, 23 2, 23 3 or 23 5 (but not Section 23 4), You shall execute all forms and documents that Franchisor considers necessary to appoint Franchisor as your limited attorney-in-fact for the sole purpose of assigning to Franchisor all rights to (i) the telephone numbers of the Franchised Business, and any related and other business listings, and (ii) all email addresses, URLs, domain names, Internet listings and Internet accounts (including social media accounts) related to the Franchised Business

8 11 Reward Programs You shall participate in, and shall pay all reasonable costs associated with, all local and system-wide SERENDIPITY LABS Client reward programs You acknowledge that Franchisor, in its discretion, may change, modify or discontinue such programs as it deems appropriate for the Franchised Business and the SERENDIPITY LABS system You shall, at your expense, substantially comply with all such changes, modifications or discontinuances

9. MANUALS

To protect the reputation and goodwill of the System, and to maintain the quality and integrity of products and services offered under the Marks, You shall operate the Franchised Business according to the Standards in this Agreement and the then-current Standards in the Manuals Franchisor shall provide You one copy of each Manual on loan (which may be by electronic access only), and You acknowledge that the Manuals shall at all times remain Franchisor's sole property, and that all trade secret and/or copyright interests in the Manuals and all translations of the Manuals vest in and are owned by Franchisor or Franchisor Affiliates Franchisor shall have the right to amend the Manuals from time to time, in its discretion, ~~and~~**so long as such amendments are implemented on a fair and consistent basis at all SERENDIPITY LABS Businesses to the extent applicable, practicable and permitted by contract. Franchisor** shall communicate to You such amendments to the Manuals You shall, at your expense, promptly and substantially comply with all such amendments, provided, however, that You shall not be required to expend more than $25,000 per calendar year to comply with such amendments You shall keep your copies of the Manuals up-to-date Franchisor shall maintain at its corporate headquarters definitive copies of the Manuals, as amended from time to time, which copies will control in the event of any content dispute concerning the Manuals You acknowledge that the information contained in the Manuals constitutes Confidential Information and therefore is subject to the protections set forth in Section 10 1

10 CONFIDENTIALITY AND NON-COMPETITION COVENANTS

10 1 Confidentiality Neither You nor any of Your Principals shall, during the Term or thereafter, duplicate, communicate, divulge or use for the benefit of any other Person, any Confidential Information, except in accordance with this Agreement or any agreement with Franchisor You and Your Principals shall divulge Confidential Information only to those of your personnel who must have access to it in order to operate the Franchised Business The covenant in this first paragraph in Section 10 1 shall survive the expiration or rightful termination of this

Agreement, or any Transfer, and shall be perpetually binding on You, each of Your Controlling Owners and each of Your Principals Your Principals who attend Franchisor's initial training program, before attending, shall execute Confidentiality Agreements and Ancillary Covenants Not to Compete as set forth in Attachment 5 All of your other personnel who attend Franchisor's initial training program, before attending, shall sign confidentiality agreements in a form reasonably prescribed by Franchisor You shall, at your own expense, use commercially reasonable efforts to enforce and restrain material defaults of such agreements and covenants

Franchisor shall not, during the Term or thereafter, duplicate, communicate, divulge or use for the benefit of any other Person, any confidential information received from You about the Franchised Business, including information regarding your business and marketing performance, plans and forecasts, except in accordance with this Agreement or any agreement with You Franchisor shall divulge such confidential information only to those of its personnel who must have access to it in order to support the operation of the Franchised Business, or to compile and use aggregated information about SERENDIPITY LABS franchisees and developers operating under the System You acknowledge that Franchisor may use such aggregated information in any lawful manner The covenant in this second paragraph in Section 10 1 shall survive the expiration or rightful termination of this Agreement, or any Transfer, and shall be perpetually binding on Franchisor

10 2 Covenants Against Competition You specifically acknowledge that, pursuant to this Agreement, You and Your Principals will receive valuable training and Confidential Information, including specialized information regarding the operational, sales, promotional and marketing methods and techniques of Franchisor and the System You acknowledge that this specialized training and Confidential Information provide a competitive advantage and are valuable in the development and operation of the Franchised Business, and that gaining access to this specialized training and Confidential Information is, therefore, a primary reason that You have entered into this Agreement In consideration for this specialized training and Confidential Information, You covenant as follows

(a) Except as otherwise approved in writing by Franchisor, You shall not (during the Term), and each of Your Principals shall not (during the portion of the Term that any such Person come within the definition of "Your Principals"), either directly or indirectly, for themselves or through, on behalf of, or in conjunction with any Person

(i) Divert, or attempt to divert, any business or Client of any SERENDIPITY LABS Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the System and the Marks

(ii) (A) Employ or engage any Person who is employed or engaged, or at any time in the preceding 12-month period has been employed or engaged, by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, at any Competitive Business, or (B) knowingly seek to induce any Person who is employed or engaged by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, to leave such employment or engagement In the event of a breach of this Section 10 2(a)(ii), recognizing the time, effort and resources necessary to train replacement personnel and the difficulty of

establishing the precise amount of damages for breach of this Section 10 2(a)(ii), in addition to the other remedies provided for in this Agreement or otherwise available to Franchisor, any Franchisor Affiliate, or any other SERENDIPITY LABS system developer or franchisee affected by the breach, You agree to pay Franchisor, or any affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee, as applicable, as liquidated damages and not as a penalty, an amount equal to the employee's annualized salary or compensation (at his or her most recent rate of employment or engagement by Franchisor, or by the affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee)

(iii) Own, maintain, operate, engage in, have any financial or beneficial interest in (including any interest in a corporation, partnership, limited liability company, trust, joint venture, or any other incorporated or unincorporated association or organization), advise, assist, or make loans to any Competitive Business which is, or is intended to be, located within the United States or its territories, or within any other country, province or geographic area in which Franchisor or a Franchisor Affiliate has registered or applied for registration of any of the Marks, or operates or licenses others to operate SERENDIPITY LABS Businesses This provision does not apply to the direct or indirect ownership of shares representing less than 1% of any entity that is publicly traded on any securities exchange

(b) For a continuous uninterrupted period of 2 years, beginning with the "commencement date" specified below, neither You nor any of Your Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any Person

(i) Divert, or attempt to divert, any business or Client if any SERENDIPITY LABS Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the System or the Marks

(ii) (A) Employ or engage any Person who is employed or engaged, or at any time in the preceding 12-month period has been employed or engaged, by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, at a Competitive Business, without the current or former employer's or contractor's prior written consent, or (B) knowingly seek to induce any Person who is employed or engaged by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, to leave such employment or engagement for employment or engagement at a Competitive Business In the event of a breach of this Section 10 2(b)(ii), recognizing the time, effort and resources necessary to train replacement personnel and the difficulty of establishing the precise amount of damages for breach of this Section 10 2(b)(ii), in addition to the other remedies provided for in this Agreement or otherwise available to Franchisor, or the affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee, You agree to pay Franchisor, or any affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee, as applicable, as liquidated damages and not as a penalty, an amount equal to the employee's annualized salary or compensation (at his or her most recent rate of employment or engagement by Franchisor, or by the affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee)

(iii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a corporation, partnership, limited liability company, trust,

joint venture, or any other incorporated or unincorporated association or organization), advise, assist, or make loans to any Competitive Business which is, or is intended to be, located (a) at the Location, (b) within the Protected Territory, or (c) within a 25-mile radius of the Franchised Business or any other SERENDIPITY LABS Business in existence or under construction (or where land has been purchased or a lease has been executed for the construction of a SERENDIPITY LABS Business) as of the commencement date under this Section 10 2(b)

For purposes of this Section 10 2(b), the "commencement date" of this covenant for You is the date that this Agreement expires or is rightfully terminated (regardless of the reason for termination), or the date that You Transfer all of your interest in this Agreement, the "commencement date" for any of Your Principals is the earlier of the date that Your Principal ceases to come within the definition of "Your Principals," or the date that this Agreement expires or is rightfully terminated

(c) You acknowledge that the covenants contained in this Section 10 2 are reasonable limitations as to time, geographical area, and scope of activity to be restrained, and do not impose greater restraints than are necessary to protect the goodwill or other business interests of Franchisor Each of the covenants in this Section 10 2 shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of a covenant in this Section 10 2 is held unreasonable or unenforceable by a court, arbitrator or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, such covenant shall be modified by such court, arbitrator or agency to the minimum extent required by law to make the covenant enforceable You expressly agree to be bound by any lesser covenant as reformed by such court, arbitrator or agency, or as subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10 2

(d) You understand and acknowledge that Franchisor has the unilateral right, in its discretion, to reduce the scope of any covenant applicable to You or any of Your Principals as set forth in this Section 10 2, or any portion thereof, without your consent or the consent of any of Your Principals, effective immediately on notice to You, and You agree that You and Your Principals shall comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 10 2(c)

(e) If You or any of Your Principals violate any covenants contained in this Section 10 2, and if Franchisor institutes any court action to prevent or enjoin such violation, then the duration of the covenants of Section 10 2(b) shall be lengthened by a period of time equal to the period between the date of the start of the violation and the date on which the decree of the court's disposition of the issues on the merits becomes final in favor of Franchisor and is not subject to further appeal

(f) You agree that the existence of any claims You or Your Principals may assert against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 10 2

(g) At Franchisor's reasonable request, You shall require and obtain execution of covenants similar to those set forth in this Section 10 2 (including covenants applicable on the termination of ~~a natural Person's~~**Your Principals'** employment ~~or engagement by You) from any of your personnel who attends Franchisor's initial training program, before attendance, or has access to Confidential Information, before access Any~~**with You) from any of Your Principals (personnel who become involved in the day-to-day management of the Franchised Business, are given**

access to the Manuals, or attend any training program of Franchisor) The covenants required under this Section 10 2(g) shall be substantially in the form set forth in Attachment ~~5~~ **5, however, in the event of any inconsistencies between the provisions of the agreement set forth on Attachment 5 and this Section 10.2, this Section 10.2 shall govern and control.** Franchisor may, in its discretion, decrease the period of time or geographic scope of the covenants set forth in Attachment 5, or eliminate those covenants altogether, for any Person who is required to execute the covenants

(h) Your and Your Principals' obligations under this Section 10 are fully assignable by Franchisor, and shall survive any merger, acquisition, sale of assets, or other change in ownership or control of Franchisor

10 3 Effect of Non-Compliance The parties acknowledge that any failure by either party to substantially comply with the requirements of this Section 10 shall constitute a material default under Section 23 The parties further acknowledge that a material violation by either party of the terms of this Section 10 would result in irreparable injury to the other party for which no adequate remedy at law may be available, and the parties accordingly consent to the issuance of an injunction prohibiting any conduct by the party in material violation of the terms of this Section 10 In connection with any action to enforce the terms of this Section 10, the losing party(ies) agree(s) to pay all court costs and reasonable attorneys' fees incurred by the prevailing party(ies), including all reasonable costs related to obtaining specific performance or an injunction

11. RESERVATION SYSTEM

11 1 Participation You shall participate in the Reservation System, as it exists from time to time, and shall observe all requirements of participation, as determined by Franchisor and set forth in the Manuals

11 2 Equipment and Software You shall acquire and install all Software and computer hardware components necessary to participate in and properly operate the Reservation System, and any future enhancements, additions, substitutions, upgrades and modifications that Franchisor deems reasonably necessary You shall be responsible for telephone, Internet and other charges for connecting your reservation equipment to the Reservation System and for all other related expenses related to your use of the Reservation System

11 3 Client Prices Subject to Section 14 7, You shall have the right to independently determine the prices at which You will provide Membership Plans, Business Services and other products and services You offer, provided that You shall not charge any Client a price higher than the price reflected for You in the Reservation System at the time the Client's reservation was made You shall cause such prices, and all changes to such prices, to be entered promptly into the Reservation System according to the Standards

11 4 Suspension On Non-Compliance Franchisor has the right to suspend your use and access to the Reservation System during any period that You are not in substantial compliance with this Agreement, the Standards or any agreement governing your use of the Reservation System, if You have not cured such non-compliance within 10 Business Days after Franchisor gives written notice to You of such non-compliance You hereby waive any claim that You may at any time have arising out of or related to any rightful suspension, and release Franchisor and Franchisor Affiliates from all liability arising therefrom Franchisor's right to suspend your use of and access to the

Reservation System shall not constitute an election of remedies, and may be exercised instead of, or in addition to, any other remedies available to Franchisor under this Agreement or applicable law

11 5 Modifications Franchisor shall have the right to modify, alter and make such other changes to the Reservation System as it deems appropriate for the Franchised Business, and You shall, at your expense, substantially comply with any such modifications, alterations and changes

12. CORPORATE ACCOUNT PROGRAMS

Franchisor and Franchisor Affiliates may enter into agreements with Corporate Account Clients pursuant to Corporate Account Programs (as defined in Section 1 1, and as described in the Manuals) Corporate Account Clients may contact You directly, and Franchisor and Franchisor Affiliates may, from time to time, refer such Corporate Account Clients to the Franchised Business and/or make reservations on their behalf You shall undertake to accept, welcome and provide services to Corporate Account Clients on terms and at prices that You establish (subject to space, product and service availability, and subject to the terms of any existing Corporate Account Agreements), on nondiscriminatory terms that are at least as favorable as your independently determined list prices in effect at the time such reservations are made Within 30 days after receiving an invoice from Franchisor, You shall pay to Franchisor the Corporate Account Servicing Fee for each Service Agreement under which You have provided access and Business Services to a Corporate Account Client, in an amount to be reasonably determined by Franchisor on a nondiscriminatory basis applicable to all SERENDIPITY LABS Businesses, which amount may be based on factors such as the volume of business done by You with the Corporate Account Client, the total business done by the Corporate Account Client with all SERENDIPITY LABS Businesses, and the costs and terms involved in dealing with the Corporate Account Client During the first calendar year of this Agreement, the Corporate Account Servicing Fee for each Service Agreement on which the fee is imposed shall not exceed 5% of all amounts rightfully due and payable under the Service Agreement in connection with the Corporate Account Client's Membership Plan(s) and the use of Business Services during the applicable period Franchisor has the right to increase the Corporate Account Servicing Fee each calendar year by an additional percentage point, up to a maximum of 6% Periodically, Franchisor or Franchisor Affiliates may offer price or non-price incentives on a local or national basis to Corporate Account Clients Except as otherwise agreed by Franchisor, You agree to honor the terms of Corporate Account Agreements in accordance with the terms of all Corporate Account Programs Under some or all Corporate Account Agreements, Franchisor may invoice and collect some or all amounts due from Corporate Account Clients for Business Services provided by the Franchised Business In such instances, Franchisor shall remit collected amounts to the Franchised Business within the earlier of (i) 15 Business Days after collection, net of applicable Corporate Account Servicing Fees, National Marketing Support Fund contributions and any direct costs of collection, or (ii) 30 days after the subject Corporate Account Clients receive Business Services at the Franchised Business

13. TRAINING, CONFERENCES AND SEMINARS

13 1 Initial Training Before the Franchised Business opens for business, Franchisor shall provide, either itself or through its designee, and Your Principals shall attend and successfully complete to Franchisor's reasonable satisfaction, an initial training program to be held at Franchisor's offices in Stamford, Connecticut-**, or in Rye or Manhattan, New York If Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement, the initial training program for Your Principals shall last only about 1 ½ days, and shall focus on information related to executive-level decision-making in the context of the Franchised**

Business. There shall be no tuition or training-related materials charges imposed by Franchisor for this training~~, but~~. You shall be responsible for all training-related expenses incurred by ~~such persons~~**Your Principals**, including salary, benefit, travel, lodging and meal ~~expenses~~ **costs, in connection with attending training At Franchisor's request, Your Controlling Owners shall also designate one individual who is, or who has been designated to become, familiar with Franchisee and the operation of the Franchised Business to attend the training specified in this Section 13 1 along with Your Principals**

13 2 Initial Training for Replacement Management Personnel Periodically during the Term, Franchisor shall make available, either itself or through its designee, its then-current initial training program to all replacement management personnel who become Your Principals Such personnel shall be required to attend and satisfactorily complete such program before **or within a reasonable time after** assuming management responsibility For such program, Franchisor reserves the right to charge, and You agree to pay, a reasonable training fee, which fee, as of the Effective Date of this Agreement, is set forth in Attachment ~~1~~ **1, except that this fee shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement.**

13 3 Additional Training **If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement,** Franchisor shall have the right to require Your Principals to attend additional training programs that Franchisor may offer from time to time, either on a SERENDIPITY LABS system-wide basis (such as programs relating to new products or services), or on an individualized basis because of operational difficulties being experienced at the Franchised Business **that continue after notice and a reasonable opportunity to cure such difficulties (not less than 30 days)** Franchisor may charge a reasonable training fee for ~~the~~**such** additional training programs, which fee, as of the Effective Date of this Agreement, is set forth in Attachment 1 You shall be responsible for all travel, lodging and meal costs incurred by, and the salaries and benefits of, your personnel participating in ~~the~~**such additional** training programs Franchisor shall have the right to offer additional training programs via the Intranet

13 4 Conferences Franchisor periodically may conduct conferences to be held at such times and places as Franchisor determines in its discretion Franchisor shall have the right to require your attendance (or the attendance of one or more of Your Principals) **at no more than one conference per year**, and to impose reasonable pro-rata tuition or materials charges for such attendance~~.~~**, except that tuition and materials charges shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement** You shall be responsible for all travel, lodging and meal costs incurred by, and the salaries and benefits of, your personnel attending the conferences

14 ADVERTISING AND RELATED FEES

Recognizing the value of advertising and marketing, and the importance of the standardization of advertising and marketing programs to the furtherance of the goodwill and public image of the System, the parties agree as follows

14 1 Advertising and Marketing Expenditures ~~For~~**If Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement, all advertising and marketing expenditures for the Franchised Business shall be made according to a pre-approved budget developed under the management agreement, which shall include expenditures according to Section 14 4 and expenditures according to Section 14 5 if there is a**

Local Advertising Cooperative. If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, for each applicable Accounting Period, You shall ~~expend an amount designated by Franchisor on~~**make** advertising and marketing **expenditures for the Franchised Business** according to this Section 14 These expenditures shall be directed to Local Marketing (according to Section 14 3), the National Marketing Support Fund (according to Section 14 4), and a Local Advertising Cooperative, if established for the local geographic area in which the Franchised Business is located (according to Section 14 5) ~~In reviewing and modifying the~~**The** amounts of these expenditures~~, Franchisor~~ shall ~~consider~~**take into account** factors such as the level of expenditures by SERENDIPITY LABS Businesses operated by Franchisor or Franchisor Affiliates, amounts spent on advertising by competitors of the SERENDIPITY LABS system, media costs, available marketing resources, population changes, changes in market conditions, the degree of market penetration of the SERENDIPITY LABS system, and any other factors that Franchisor considers relevant

14 2 Advertising and Marketing Programs Franchisor may from time to time develop and administer ~~other~~ advertising and marketing programs designed to promote and enhance the collective success of all SERENDIPITY LABS Businesses You shall participate in all of these advertising and marketing programs in accordance with the terms and conditions established by Franchisor for the programs In all aspects of these programs, including the type, quantity, timing, placement, choice of media, market areas and advertising agencies, the Standards established by Franchisor shall be final and binding on You

14 3 Local Marketing ~~Each~~**If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, each** year, You must spend on Local Marketing a minimum of 2% of annual Gross Revenue for the same year, less any amount that You are required to contribute to a Local Advertising Cooperative pursuant to Section 14 5 during the same year Although Franchisor encourages all local advertising and marketing, only the types of advertising and marketing efforts specifically required or recommended in the Manuals shall satisfy the minimum Local Marketing expenditure requirements set forth in this Section 14 3 **If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement,** You shall submit to Franchisor such periodic reports as Franchisor may require which accurately reflect all Local Marketing expenditures during the relevant period

14 4 National Marketing Support Fund Each Accounting Period, You shall contribute 2% of Gross Revenue to the National Marketing Support Fund Contributions to the National Marketing Support Fund shall be paid on the Payment Date in the same manner as the Continuing Services Fee, and shall be subject to the payments terms set forth in Section 7 The National Marketing Support Fund shall be maintained and administered by Franchisor or its designee as follows

(a) The National Marketing Support Fund is intended to maximize general public recognition and acceptance of the Marks, and to enhance the collective success of all SERENDIPITY LABS Businesses Franchisor shall direct all advertising and marketing programs produced using the National Marketing Support Fund, and shall have the right, in its discretion, to approve or disapprove the creative concepts, materials and media used in those programs, the placement of advertisements, and the allocation of money in the National Marketing Support Fund to production, placement or other costs In administering the National Marketing Support Fund, Franchisor and its designees undertake no obligation to make expenditures for You which are equivalent or proportionate to your

contribution, or to ensure that the Franchised Business or any particular SERENDIPITY LABS Business benefits directly or *pro rata* from the placement of advertising

(b) The National Marketing Support Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising, including the costs of preparing and conducting television, radio, magazine and newspaper advertising campaigns, developing, updating and maintaining Franchisor's website (including payment of hosting fees), direct mail and outdoor billboard advertising, public relations activities, advertising agencies, and Franchisor's internal administrative costs and overhead All sums paid by You to the National Marketing Support Fund will be maintained in a separate account by Franchisor, and may be used to defray any of Franchisor's reasonable administrative costs and overhead that Franchisor incurs in activities reasonably related to the administration or direction of the National Marketing Support Fund and advertising and marketing programs for SERENDIPITY LABS system franchisees and the SERENDIPITY LABS system The National Marketing Support Fund and its earnings shall not otherwise inure to the benefit of Franchisor The National Marketing Support Fund is operated solely as a conduit for collecting and expending the marketing and promotion fees as outlined above Franchisor has no fiduciary duty to You with regard to the operation or administration of the National Marketing Support Fund

(c) An unaudited statement of the operations of the National Marketing Support Fund shall be prepared annually by Franchisor, and shall be made available to You on request Such statement shall fully account for and report all contributions to and expenses of the National Marketing Support Fund

(d) Although (once established) the National Marketing Support Fund is intended to be of perpetual duration, Franchisor may terminate the National Marketing Support Fund at any time in its discretion The National Marketing Support Fund shall not be terminated, however, until all monies in the National Marketing Support Fund have been expended for advertising or marketing purposes or returned to contributing SERENDIPITY LABS Businesses (whether franchised or operated by Franchisor or Franchisor Affiliates), without interest, on the basis of their respective contributions

14 5 Local Advertising Cooperative Franchisor may designate any Metropolitan Statistical Area ("MSA") in which 2 or more SERENDIPITY LABS Businesses are located as a local geographic area for purposes of establishing a Local Advertising Cooperative Franchisor shall have the right to form, dissolve and merge Local Advertising Cooperatives, in its discretion Each Local Advertising Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, determined in advance by Franchisor, and shall be organized for the exclusive purposes of developing and administering advertising and marketing programs and materials for use by its members (subject to Franchisor's written approval pursuant to Section 14 6) If, on the Effective Date of this Agreement, a Local Advertising Cooperative has already been established for a geographic area that encompasses the Protected Territory, or if any Local Advertising Cooperative for that geographic area is established during the Term, You shall (promptly at the reasonable request of Franchisor) execute any documents required by Franchisor to become a member of the Local Advertising Cooperative pursuant to the terms of those documents You shall participate in the Local Advertising Cooperative as follows

(a) For each Accounting Period, You shall contribute to the Local Advertising Cooperative the amounts required by the documents governing the Local Advertising Cooperative, provided that such amounts shall not exceed 2% of Gross Revenue without written approval of

Franchisor and a two-thirds super majority vote of the members of the Cooperative Each SERENDIPITY LABS Business covered by a Local Advertising Cooperative shall have 1 vote The amounts contributed to a Local Advertising Cooperative shall be in addition to the amounts contributed to the National Marketing Support Fund

(b) You shall submit to the Local Advertising Cooperative and to Franchisor any statements and reports as may be required by Franchisor or by the Local Advertising Cooperative All contributions to the Local Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Local Advertising Cooperative The Local Advertising Cooperative shall be operated solely as a conduit for the collection and expenditure of the Local Advertising Cooperative fees for the purposes outlined above

(c) No advertising or marketing plans or materials may be used by the Local Advertising Cooperative or furnished to its members without the prior written approval of Franchisor All advertising plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 14 6

14 6 Compliance with Advertising Standards All advertising and marketing by You in any medium shall be conducted in a dignified manner, and shall conform to the Standards You shall obtain Franchisor's prior written approval of all advertising and marketing plans and materials, and the proposed media, before their use, unless the plans and materials were prepared by Franchisor or previously approved (including the type of media) by Franchisor during the 12 months before their proposed use You shall submit all unapproved plans and materials to Franchisor, and Franchisor shall endeavor to approve or disapprove the plans and materials within 30 days after Franchisor receives them You shall not use unapproved plans, materials or media until they have been approved by Franchisor, and shall promptly discontinue use of any plans, materials or media, whether or not previously approved, on notice from Franchisor, except You shall be permitted to continue to use any then-current inventory of pre-approved materials until the inventory is depleted, unless Franchisor purchases the inventory from You at your cost You also shall substantially comply with the Standards concerning the use of social media

14 7 Prices As related to the Franchised Business, Franchisor may from time to time offer guidance concerning what it believes to be the optimum selling prices for Business Services Except as otherwise provided in this Agreement, You may offer and sell products and services at any prices You determine, and shall not be bound by any prices recommended by Franchisor If You elect to offer or sell any products or services at prices recommended by Franchisor, You acknowledge that Franchisor has made no guarantee or warranty that offering the products or services at the recommended prices will enhance your sales or profits

14 8 Concerning the Internet Franchisor shall maintain an Internet website that provides information about the System and the products and services that are offered by SERENDIPITY LABS Businesses The website shall offer reservation services, membership management services or other services associated with SERENDIPITY LABS Businesses (including the Franchised Business), and items identified by the Marks

(a) Franchisor shall exercise control over the website's design and content, in its discretion As Franchisor has no control over the stability or maintenance of the Internet generally, Franchisor is not responsible to You for damage or loss caused by errors associated with use of the Internet Franchisor is not liable for any direct, indirect, special, incidental, exemplary or consequential damages (including loss of profits, goodwill or savings, downtime, damage to or

replacement of programs and data, whether based in contract or tort, product liability or otherwise) arising out of the use of the Internet by You or your employees, or your or your employees' inability to use the Internet

(b) Franchisor shall include on the website 1 or a series of interior landing pages devoted to the Franchised Business You may not establish your own website under any circumstances You may not revise the contents of any interior landing page(s) without Franchisor's prior written approval, or use any type of social media without Franchisor's prior written approval

(c) Franchisor may establish and enforce reasonable rules and regulations, and may impose reasonable content upload fees, relating to the website, and may amend them from time to time at Franchisor's option The rules and regulations may affect, among other things, content, Client service, privacy and access At Franchisor's option, You shall promptly participate in and pay all applicable fees relating to the website in accordance with the rules and regulations

(d) If You are in breach of this Agreement or any other agreement with Franchisor or any Franchisor Affiliate, Franchisor may remove all references to You and the Franchised Business from the website and/or temporarily disable your interior landing page(s) until such breach is cured, if You have not cured such breach within 10 Business Days after Franchisor gives written notice to You of such breach You hereby waive any claim that You may at any time have arising out of or related to any such rightful action by Franchisor, and release Franchisor and Franchisor Affiliates from all liability arising therefrom Franchisor's right to remove references to You and the Franchised Business from the website shall not constitute an election of remedies, and may be exercised instead of, or in addition to, any other remedies available to Franchisor under this Agreement or applicable law

14 9 Internet Advertising Except as otherwise set forth in this Section 14, You agree that You have no authority to, and shall not, display or use the Marks in connection with, or associate the System with (through a link or otherwise), any website, advertisement, address or listing on the Internet or through any type of social media without the express written consent of Franchisor, and shall follow all policies Franchisor establishes for such media You further agree that the www serendipitylabs com domain name is the sole property of Franchisor or a Franchisor Affiliate, and agree not to register or use any domain name or URL that contains the words "serendipity" or any other word or symbol designated by Franchisor in the Manuals or otherwise

14 10 Copyright Copyright to all advertising and marketing materials that contain any of the Marks or that otherwise relate to the Franchised Business shall belong solely to Franchisor, regardless of the party that created those materials For purposes of this Section 14 10, "advertising and marketing materials" include websites, social media platforms, informational text, photographs, illustrations, artwork, software, music, sounds, photographs, graphics, audio, video, messages, files, documents, images or other materials, as well as all derivative works You shall (and shall cause your personnel and agents to) execute all documents required by Franchisor to confirm this ownership

15 INSURANCE

15 1 Minimum Insurance Coverage You shall at your own expense obtain and maintain in full force and effect at all times during the Term insurance policies protecting You, Franchisor, Franchisor Affiliates, and their respective affiliates, successors and assigns, and each of those entity's respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees, against any demand or claim with respect to personal injury, death or property

damage, or any loss, liability or expense whatsoever arising or occurring on or in connection with the Franchised Business, subject to the standard limitations in such insurance policies All insurance policies shall be written by carriers acceptable to Franchisor in its discretion, and shall include (except as additional coverages and higher policy limits may reasonably be specified by Franchisor for all franchisees, or for franchisees in similar circumstances, from time to time) the minimum coverages set forth in the Manuals In connection with any construction, renovation, refurbishment or remodeling of the Franchised Business, You shall maintain Builder's Risks insurance in forms and amounts prescribed by Franchisor With Franchisor's prior written consent, You may elect to have reasonable deductibles in connection with the certain of the coverages required by Franchisor All policies required by this Section 15 shall include a waiver of subrogation in favor of Franchisor and its directors, officers, shareholders, partners, employees, representatives, independent contractors and agents, and shall provide that they are primary to any insurance carried by Franchisor or any Franchisor Affiliate You acknowledge that the foregoing are minimum levels of insurance only, and Franchisor in no way warrants that such minimum levels will be adequate for your needs or for the protection of the Franchised Business You acknowledge that your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance maintained by Franchisor, nor shall your performance of that obligation relieve You of liability under your indemnity obligations in Section 21

15 2 Additional Insureds All insurance policies required by this Section 15, with the exception of workers' compensation and employer's liability policies, shall name Franchisor and Franchisor Affiliates, and their respective directors, officers, shareholders, partners, employees, representatives, independent contractors and agents, as additional insureds, as their interests may be applicable, and shall expressly provide that any interests of those additional insureds in the policies shall not be affected by your breach of any policy provisions

15 3 Proof of Insurance On the execution of this Agreement and annually thereafter, You shall deliver to Franchisor Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder In addition, if requested by Franchisor, You shall deliver to Franchisor copies of the insurance policies required by this Section 15 Further, to the extent possible, all insurance policies required by this Section 15 shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies

15 4 Franchisor's Right to Procure Insurance If You fail, for any reason, to procure or maintain the insurance required by this Agreement, as the insurance required may be revised from time to time by Franchisor in writing for all franchisees, or for franchisees in similar circumstances, and if You fail to cure that default within 10 Business Days after receiving a written notice of the default and demand to cure from Franchisor, Franchisor may (without, however, having any obligation to do so) procure the required insurance and charge the cost of the insurance to You The **reasonable out-of-pocket third-party** costs ~~to~~**of** Franchisor ~~of obtaining~~**to obtain** the insurance, together with a reasonable **administrative** fee ~~for Franchisor's expenses in so acting~~, shall be payable by You within 30 days after demand**, except that an administrative fee shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement** The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement, at law or in equity

15 5 Insurance Coverage of Franchisor Franchisor shall maintain in full force and effect at all times during the Term insurance policies providing coverages that are reasonable taking into account Franchisor's size, business activities and contractual obligations, including, to the extent possible, coverage for security breaches in Franchisor's intranet and other systems

16 MARKS, PATENTS AND COPYRIGHTED WORKS

16 1 Grant Franchisor grants You the right to use the Marks, the Patents and the Copyrighted Works (collectively, the Intellectual Property) during the Term in accordance with the System and the Standards

16 2 Rights in Intellectual Property You expressly understand and acknowledge that Serendipity Labs, Inc , a Franchisor Affiliate, is the owner or authorized licensee of all right, title and interest in and to the Marks, the Patents and the Copyrighted Works, and the goodwill associated with and symbolized by such Intellectual Property, and that Franchisor is an authorized licensee of such Intellectual Property from Serendipity Labs, Inc From time to time, Franchisor may own, or may license from a Franchisor Affiliate or a third party, additional Intellectual Property to be licensed or sublicensed to You for use as authorized by this Agreement

(a) Neither You nor Your Principals shall take any action that would prejudice or interfere with the validity of Franchisor's rights with respect to the Intellectual Property Nothing in this Agreement gives You any right, title or interest in or to any of the Intellectual Property, except the right to use the Intellectual Property in accordance with the terms and conditions of this Agreement for the operation of the Franchised Business, and only at or from the Location or in approved advertising or marketing related to the Franchised Business You and Your Principals may not use the Intellectual Property in any manner that has not been expressly authorized by Franchisor in writing (including any use of, or association with, the Marks on any domain name, website, URL, meta tag, or other listing or use on the Internet or any type of social media, and any use of Copyrighted Works on any website or any type of social media)

(b) All goodwill arising from your use of the Intellectual Property and the System shall inure solely and exclusively to Franchisor's benefit, and on expiration or rightful termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Intellectual Property

(c) You shall not contest the validity of Franchisor's interest in the Marks, the Patents or the Copyrighted Works, or assist others to contest the validity of Franchisor's interest in such Intellectual Property

(d) In no circumstances shall You apply for registration of any of the Intellectual Property in any part of the world

(e) Any improvements to the Intellectual Property developed by You shall belong to and be the sole property of Franchisor

(f) You acknowledge that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's rights therein and a material default of this Agreement You shall provide Franchisor with all assignments, affidavits, documents, information and assistance that Franchisor reasonably requests, at no cost to You, to fully vest in Franchisor all right, title and interest in and to the Marks, the Patents and the Copyrighted Works, including all items reasonably requested

by Franchisor to register, maintain and enforce Franchisor's rights in the Marks, the Patents and the Copyrighted Works, as applicable

(g) Franchisor reserves the right to substitute, add to and/or withdraw those Marks and other indicia which comprise the Marks as of the Effective Date of this Agreement, if, for example, the Marks can no longer be used, or if Franchisor, in its discretion, determines that substitution of different Marks will be beneficial to the Franchised Business and/or the SERENDIPITY LABS system In such circumstances, the use of substituted Marks shall be governed by the terms of this Agreement In that event, Franchisor may require You, at your expense, to discontinue or modify your use of any of the Marks, or to adopt the use of one or more additional or substitute Marks

(h) You acknowledge and agree that all information, records, lists, directories and data, in whatever form obtained, used or maintained in connection with the operation of the Franchised Business regarding any Clients that seek, attempt to use, use or purchase any products or services offered at the Franchised Business (i) shall be the sole property of Franchisor, (ii) shall be deemed to be Confidential Information, and (iii) shall be kept confidential in accordance with the terms of this Agreement, except as otherwise authorized by Franchisor The restrictions on your use and ownership of such Client information, records, lists, directories and data in this Section 16 2(h) shall be subject to any right this Agreement affords You to continue to service Clients following termination of this Agreement

16 3 Limitations on Use of Marks With respect to your licensed use of the Marks pursuant to this Agreement, You agree that

(a) Unless otherwise authorized or required by Franchisor, You shall operate and advertise the Franchised Business only under the "SERENDIPITY LABS" Mark without prefix or suffix You shall not use any of the Marks as part of your corporate or other legal name, and shall obtain Franchisor's written approval of your corporate or other legal name before applying for or filing it with the applicable government authority

(b) During the Term, You shall identify yourself as the owner of the Franchised Business, and as a franchisee of Franchisor, in conjunction with any use of the Marks, including uses on letterhead, invoices, order forms, receipts or contracts, in written, electronic or any other form You shall display notice with the content and form, and at the conspicuous locations on the premises of the Franchised Business, that Franchisor may designate in writing

(c) You shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor or any Franchisor Affiliate

(d) You shall substantially comply with Franchisor's instructions or recommendations, if any, in filing and maintaining requisite trade name or fictitious name registrations, and shall execute any documents considered necessary by Franchisor or its counsel to obtain protection of the Marks or to maintain their continued validity and enforceability

(e) You shall render to Franchisor all reasonable assistance to enable Franchisor to obtain registration in any part of the world of any of the Marks, at no cost to You

(f) You shall, in all representations of the Marks and other Intellectual Property used in connection with the Franchised Business, append in a manner approved by Franchisor such inscriptions as are usual or proper for indicating that the Marks, the Patents and the Copyrighted Works are registered and/or protected by law

(g) All advertising and marketing materials, signs, decor, paper goods (including all forms and stationery used at the Franchised Business) and other items designated by Franchisor shall bear the Marks in the form, color, location and manner prescribed by Franchisor

16 4 Infringement You shall notify Franchisor promptly of any alleged infringement of or challenge to your use of any Mark, Patent or Copyrighted Works, or of any claim by any Person of any rights in any such Intellectual Property, and You and Your Principals shall not communicate with any Person other than Franchisor, its counsel and your counsel in connection with any alleged infringement, challenge or claim Franchisor shall have the right, in its discretion, to take the action it deems appropriate in connection with any alleged infringement, challenge or claim, and the sole right to control any settlement, litigation or proceeding (including actions before the United States Patent and Trademark Office) arising out of any alleged infringement, challenge or claim You shall execute all instruments and documents, render any assistance, and do any other acts or things, at no cost to You, that may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor in any litigation or other proceeding, or to otherwise protect and maintain the interests of Franchisor in the Intellectual Property You shall have the right, through counsel of your choice, to monitor the defense of any suit or proceeding against You in connection with any alleged infringement, challenge or claim, at your expense, or, if necessary, to participate in any such suit or proceeding, at Franchisor's expense, to preclude a default judgment or other loss of rights in the event Franchisor fails to assume and diligently pursue the defense of any such suit or proceeding pursuant to this Section 16 4 If the matter involves infringement or violation, or alleged infringement or violation, by Franchisor of any patent, trademark, copyright or other proprietary right owned or controlled by a third party, Franchisor's indemnification obligations are specified in Section 21 7

16 5 Retained Rights The license to use the Marks, the Patents or the Copyrighted Works granted by this Agreement to You is nonexclusive, and Franchisor retains the following rights, among others, subject only to the limitations in Section 3

(a) The right to grant other licenses not in conflict with this Agreement for use of the Marks, the Patents and the Copyrighted Works, in addition to those licenses already granted to existing SERENDIPITY LABS system franchisees,

(b) The right to acquire, develop and establish other systems using the Marks (or other names or marks), Patents and Copyrighted Works, and to grant licenses not in conflict with this Agreement for those other systems and such Intellectual Property without providing any rights to You,

(c) The right to engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (i) the production, distribution, license, provision and sale of products and services, and (ii) the use, in connection with that production, distribution, provision and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by Franchisor, and

(d) The right to establish websites or social media platforms that provide information about the SERENDIPITY LABS system, as described in Section 14 8

17. IMPROVEMENTS AND INNOVATIONS

17 1 Franchisor's Developments Franchisor may conceive and develop new and improved methods of conducting the Franchised Business in accordance with the System, and other additions, modifications or innovations to the System which Franchisor considers desirable Franchisor agrees to make such improvements, additions, modifications and innovations available to You to the same extent that they are made available to other SERENDIPITY LABS system franchisees When required to do so by Franchisor, but not before, You shall introduce any such improvements, additions or modifications into the Franchised Business at the time and in the manner specified by Franchisor, except that Franchisor may not require You to substantially remodel the Franchised Business or substantially change the manner in which You operate the Franchised Business more often than every 5 years In this regard, a remodel or change is substantial if it involves a cost exceeding $50,000 Franchisor shall give You reasonable written notice, which in any event shall be at least 6 months unless public health or safety is involved, before any such improvements, additions or modifications go into effect. **If Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement, Franchisor or the Franchisor Affiliate shall only be entitled to charge You for the reasonable out-of-pocket third-party costs it incurs in connection with the implementation of any such improvements, additions or modifications under such management agreement**

17 2 Your Developments If You or Your Principals develop any new concept, product, process or improvement in the operation or promotion of the Franchised Business, You shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation You acknowledge that Franchisor may use or disclose that information to any other Person You acknowledge that any such new concept, process or improvement shall become the property of Franchisor, and You and Your Principals, at no cost to You, shall execute all documents reasonably necessary to evidence the assignment of such concept, process or improvement to Franchisor You shall not introduce any improvements, additions or modifications of or to the System into the Franchised Business without Franchisor's prior written consent

18 DEBTS, TAXES AND GOVERNMENT ACTIONS

18 1 Taxes You shall promptly pay when due all Taxes levied or assessed on the Franchised Business, and all accounts and other indebtedness of every kind that You incur in operating the Franchised Business

18 2 No Deduction Each payment to be made to Franchisor by You pursuant to this Agreement shall be made free and clear of, and without deduction for, any Taxes owed by You related to such payment

18 3 Disputes In the event of any *bona fide* dispute as to your liability for Taxes assessed or other indebtedness, You may contest the validity or the amount of the Taxes or indebtedness in accordance with the procedures of the taxing authority or applicable law However, in no event shall You permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the premises of the Franchised Business, any improvements thereon, or any of the Franchised Business's assets

18 4 Notice of Litigation You shall notify Franchisor in writing within 10 Business Days after the commencement of any action, suit or proceeding, or the issuance of any order, writ,

injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business

19. RECORDS AND REPORTING REQUIREMENTS

19 1 Records At all times during the Term, You shall maintain accurate books of account using accrual method accounting so that they are prepared on a receivable and payable basis, and records of all Gross Revenue received and purchases made by the Franchised Business during each Accounting Period up to the close of business on the last working day of the Accounting Period You shall maintain, at the premises of the Franchised Business or at your primary business office if it is in a commercial building, full and accurate books of account in the form approved by Franchisor, and detailed management and accounting records for the Franchised Business, including copies of all Service Agreements, supporting vouchers, invoices and delivery notes You shall preserve all such books of account and records for not less than 6 years, notwithstanding the expiration or rightful termination of this Agreement

19 2 Reports For each Accounting Period, You shall prepare and submit to Franchisor, no later than the Payment Date, any and all reports containing the information that Franchisor reasonably requires, including financial and Client information The reports shall be in the form, and shall be submitted in the manner, that Franchisor reasonably prescribes

19 3 Budgets and Business Plans ~~By~~**If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, by** October 1st of each year, You shall provide Franchisor with a projected budget for the Franchised Business for the following calendar year, in a form reasonably satisfactory to Franchisor In addition, **if a Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement,** by the Opening Date, and by October 1st of each third year after the Opening Date, You shall provide Franchisor with a business plan for the Franchised Business for the following 3 calendar years, in a form reasonably satisfactory to Franchisor You shall promptly notify Franchisor promptly of any material changes to any budget or business plan during the period covered by the relevant budget or business plan

19 4 Audits You shall permit Franchisor or its duly authorized agents, accountants or professional advisors, during normal business hours, to audit any books of account, records and tax documents of the Franchised Business, and to make copies thereof at Franchisor's expense, in accordance with Section 8 4(f) If Franchisor claims that as a result of an audit, You owe monies to Franchisor, then Franchisor will provide You copies of the audit results, and You will have the right to dispute the audit results within 30 days If any audit reveals a discrepancy of 5% or more for any 3-month or longer period not due to a deficiency in OASIS or in the paperwork specified under the System, You shall pay, in addition to the discrepancy amount, all reasonable ~~audit-related expenses~~**out-of-pocket third-party costs Franchisor incurs to conduct the audit,** and an administrative fee equal to 10% of the discrepancy amount Nothing in this Section 19 4 is intended to limit Franchisor's rights in Section 23 regarding termination of this Agreement Franchisor shall **have the obligation to** promptly pay to You the amount of any overpayment by You discovered during the course of any such audit**, which obligation shall survive the expiration or earlier termination of this Agreement**

19 5 Tax Returns You shall supply to Franchisor, at Franchisor's reasonable request, copies of any or all tax returns of the Franchised Business If You are a single-member LLC or other entity that is not required to file separate tax returns, You shall be required to supply Franchisor with the portions of your tax returns that relate to the Franchised Business, but shall not be required to supply Franchisor with the portions of your tax returns that relate to other business interests

19 6 Financial Statements ~~At~~**If Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, at** your expense, within 120 days after the close of each fiscal year, You shall ~~have a Certified Public Accountant prepare financial statements for the fiscal year for You, and shall supply to~~**supply** Franchisor **with** a full set of ~~such~~ financial statements ~~The financial statements shall~~ **for the Franchised Business for that fiscal year, certified by You to** be complete, accurate, and prepared ~~in conformity with~~**according to** generally accepted accounting principles **consistently** applied ~~on a consistent basis (except as expressly described in the applicable notes), at least on a compilation basis~~.

19 7 No Waiver Neither party's receipt or acceptance of any payment, nor Franchisor's receipt of any Gross Revenue Report or any other report or statement furnished by You under this Agreement, shall preclude the receiving or accepting party from questioning the correctness of the payment, report or statement at any time If any inconsistency or mistake is discovered in any payment, report or statement, the party in error shall promptly correct the inconsistency or mistake, and shall promptly pay the other party any amount owed

19 8 Disclosures You hereby authorize (and agree to execute any documents necessary to effect this authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, and other persons or entities with which You do business, to disclose to Franchisor any reasonably requested financial information in their possession relating to You or the Franchised Business You authorize Franchisor to disclose data from your reports and statements, if Franchisor determines that disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing Serendipity Labs system franchisees or other third parties

20. TRANSFERS OF INTEREST

20 1 Transfers by Franchisor Franchisor may transfer this Agreement, in its discretion, to any Person, so long as such transfer is part of a sale of all or substantially all of Franchisor's assets or membership interests, and so long as such Person, in Franchisor's reasonable business judgment, is willing and able to assume all obligations of Franchisor under this Agreement Franchisor may transfer certain of its obligations under this Agreement, in its discretion, to any Person, so long as such Person, in Franchisor's reasonable business judgment, is willing and able to assume all such obligations Without limitation to the foregoing, Franchisor (or any Franchisor Affiliate, as applicable) may sell its assets, the Marks, the Patents, the Copyrighted Works or any other elements of the System to any Person, may offer its securities privately or publicly, may merge with, spin off or acquire other corporations, or be acquired by another corporation, or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring With regard to any or all of the above transfers, sales, assignments and dispositions, You expressly and specifically waive any claims, demands or damages against Franchisor arising from or related to the transfer of the Marks (or any variation thereof), the Patents, the Copyrighted Works or the System to any other Person, provided that said transferee agrees to assume and is capable of assuming all obligations of Franchisor under this Agreement

20 2 Transfers by You The rights and duties set forth in this Agreement are personal to You, and Franchisor has granted rights under this Agreement in reliance on your business skill, financial capacity and personal character, and the business skill, financial capacity and personal character of Your Owners If You or any of Your Owners wish to effect a transfer of this Agreement, a Controlling Interest in You, or all or substantially all of the assets of the Franchised Business, the transferor and the proposed transferee shall apply to Franchisor for its consent, which consent shall not be unreasonably withheld, conditioned or delayed Franchisor may require any or all of the following as conditions of its consent

(a) All of your and Your Affiliates' monetary and other obligations to Franchisor and Franchisor Affiliates arising under this Agreement, or under any other agreements (including franchise agreements), as of the date of Transfer, shall have been satisfied in a timely manner, and You are in substantial compliance with this Agreement as of the date of Transfer

(b) You shall have substantially satisfied all obligations, of whatever nature or kind, owed to trade creditors and others related to the operation of the Franchised Business, and You are in substantial compliance with all agreements with such trade creditors and others

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form satisfactory to Franchisor, of all claims against Franchisor, Franchisor Affiliates, and their respective present and former officers, directors, shareholders, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under this Agreement, under any other agreements (including any other franchise agreements) between Your or Your Affiliates and Franchisor or Franchisor Affiliates, or under any federal, state or local laws, rules, regulations or orders Franchisor shall execute and deliver to You a general release, in a form satisfactory to You, of all claims against You, Your Affiliates and Your Owners, and their respective present and former officers, directors, shareholders, members, managers, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under this Agreement, under any other agreements (including any other franchise agreements) between You or Your Affiliates and Franchisor or Franchisor Affiliates, or under any federal, state or local laws, rules, regulations or order

(d) The transferee shall demonstrate to Franchisor's reasonable satisfaction that the transferee meets the criteria typically considered by Franchisor when reviewing prospective franchise applications, including the transferee's educational, managerial and business qualifications, the transferee's character, business reputation and credit rating, the transferee's aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), the transferee's financial resources and capital for operation of the Franchised Business, and the geographic proximity and number of other SERENDIPITY LABS Businesses owned or operated by the transferee,

(e) You shall have provided Franchisor, at least 30 days prior to the proposed Transfer, a copy of the applicable purchase agreement or stock transfer agreement, and all other information concerning the proposed Transfer that Franchisor reasonably requests, except You shall not be required to provide Franchisor a copy of any applicable purchase agreement among Your Controlling Owners,

(f) The transferee shall execute, for a term ending on the Expiration Date of this Agreement, (i) the standard franchise agreement and ancillary agreements then being offered by Franchisor to new SERENDIPITY LABS system franchisees, or (ii) this Agreement and its ancillary

agreements revised to substitute the transferee as Franchisee, as Franchisor deems appropriate in its discretion If a new franchise agreement is executed, that agreement shall supersede this Agreement in all respects, and the terms of that agreement may differ from the terms of this Agreement, except that (i) the new franchise agreement shall contain revisions that are substantially similar to any revisions to this Agreement that You have negotiated, ~~and~~ (ii) the economic terms specified in this Agreement, such as the Continuing Services Fee, the National Marketing Support Fund contribution, other fees and cost caps, and the advertising expenditure requirements, shall remain the same in the new franchise agreement**, and (iii) the remodeling and change requirements specified in Sections 5.2(d) and 17.1 of this Agreement shall remain the same in the new franchise agreement**

(g) ~~The~~**If the Franchised Business has not been fully remodeled and/or changed in accordance with Sections 5.2(d) and 17.1 of this Agreement, the** transferee, at its expense, shall ~~renovate, modernize and otherwise upgrade~~**remodel and/or change** the Franchised Business to conform **it** to the Standards, and shall complete ~~these upgrading requirements~~**the remodeling and/or changes** within a time period reasonably specified by Franchisor

(h) The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchised Business incurred before the date of the Transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence that liability

(i) At the transferee's expense and prior to the Transfer, the transferee, the transferee's Franchise Manager and Sales Manager, and any other management personnel of the Franchised Business, shall complete any training programs then in effect for SERENDIPITY LABS system franchisees, on terms and conditions that Franchisor reasonably requires

(j) You shall pay to Franchisor the Transfer Fee

(k) Exclusive of a purchase by Franchisor, if Franchisor finds and refers to You the purchasing transferee who purchases on terms and conditions acceptable to You in your sole and absolute discretion, You or the purchasing transferee shall pay Franchisor a Finder's Fee on the date of the Transfer

(l) If the transferee is not an individual, the transferee shall make and shall be bound by any representations, warranties and covenants that Franchisor reasonably requests similar to those set forth in Section 6 The transferee shall provide to Franchisor evidence reasonably satisfactory to Franchisor that the terms of those representations, warranties and covenants have been satisfied, and are true and correct on the date of the Transfer

20 3 Security Interests You may not grant a security interest in the Franchised Business, without Franchisor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed As a condition to Franchisor's consent, the secured party shall be required by Franchisor to agree that in the event of any material default by You under any documents related to the security interest, Franchisor shall have the right (at its option) to be substituted as obligor to the secured party and to cure any material default by You You may not, at any time, grant a direct or indirect security interest in this Agreement

20 4 Franchisor's Right of First Refusal If You wish to effect a Transfer pursuant to any *bona fide* offer to purchase received from a third party, then the proposed seller shall promptly notify Franchisor in writing of the offer, and shall provide any additional information and documentation relating to the offer that Franchisor requires Franchisor shall have the option, exercisable within 30

days after receipt of all written documentation reasonably requested by Franchisor describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party

If an offer from a third party provides for payment of consideration other than cash, Franchisor may elect to purchase the interest proposed to be sold for the reasonable cash equivalent If the parties cannot agree within a reasonable time on the cash equivalent of the non-cash part of an offer, then the cash equivalent shall be determined by 2 appraisers, with each party selecting one appraiser, and the average of their determinations constituting the binding valuation In the event of an appraisal under this provision, each party shall bear its own legal and other costs, and shall split the appraisal fees equally

If Franchisor elects to purchase the seller's interest, closing on the purchase shall occur no later than 60 days after the date Franchisor gives notice to the seller of the election to purchase, provided that Franchisor has received all necessary permits and approvals, or on such other date as the parties agree in writing If Franchisor exercises its right of first refusal, it may set off all amounts due from You and Your Affiliates (including, if applicable, any appraisal fees due from You) against any payment for the interest to be purchased

A decision of the Franchisor not to exercise its right of first refusal granted by this Section 20 4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 20 2, with respect to a proposed Transfer If Franchisor does not exercise its right of first refusal on any particular offer, any material change in the terms of the offer before closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of the initial offer Failure to substantially comply with the provisions of this Section 20 4 shall constitute a material default of this Agreement

20 5 Death or Permanent Disability ~~On your death (if a natural Person), or on the death of any of Your Controlling Owners who is a natural Person, the executor, administrator or other personal representative of the deceased shall Transfer the interest of the deceased to a third party according to the conditions set forth in Section 20 2 within 12 months after the date of death If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, then the distributee of the interest of the deceased must be approved by Franchisor If the distributee is not approved by Franchisor, then the distributee shall Transfer the interest of the deceased to a third party approved by Franchisor within 12 months after the date of death~~

~~On your Permanent Disability (if a natural Person), or on the~~**(a) If Franchisor or a Franchisor Affiliate is not already managing the Franchised Business under a management agreement, if the death or** Permanent Disability of ~~any~~**one** of Your Controlling Owners ~~who is a natural Person, Franchisor may require your or the permanently disabled principal's interest to be transferred to a third party in accordance with the conditions described in this Section 20 5 within 6 months after Franchisor notifies You of such requirement If the parties disagree as to whether a natural Person is permanently disabled, the existence of Permanent Disability shall be determined by a licensed practicing physician selected by Franchisor, on examination of the natural Person, or if the natural Person refuses to submit to an examination, then (for the purpose of this Section 20 5) the natural Person automatically shall be considered permanently disabled as of the date of refusal The costs of any examination required by this Section 20 5 shall be paid by Franchisor~~

~~In the event of the death or Permanent Disability of You or any of Your Controlling Owners~~**or Your Principals seriously and adversely impacts the operation of the Franchised Business, and**

if no other Person associated with You is trained to oversee the day-to-day operation of the Franchised Business, Franchisor at its option may elect to operate (or to appoint a designee such as a Franchisor Affiliate to operate) the Franchised Business ~~during the interim period from the date of death or Permanent Disability, as applicable, until the interest is transferred in accordance with this Section 20 5, or until the applicable interim period expires, whichever comes first~~ **until another of Your Controlling Owners or Your Principals is able to oversee the operation of the Franchised Business** As compensation for operating the Franchised Business **in this circumstance**, Franchisor shall charge **You** a Temporary Operational Fee equal to 11% of Gross Revenue (which shall be in addition to Continuing Services Fees and all other fees or payments due and payable under this Agreement~~ and any other agreement between You and Franchisor or Franchisor Affiliates~~) To the extent that Franchisor provides one of its employees to oversee operation of the Franchised Business, **You shall pay to** Franchisor ~~also shall be entitled to payment of the~~**an** Additional Assistance Fee~~ for such employee~~ You shall execute any agreements or other documents required by Franchisor to effect the foregoing, and shall remain responsible for payment of employee salaries, taxes, rent, utilities, supplies and all other costs and expenses associated with the operation of the Franchised Business Franchisor or a Franchisor Affiliate, as applicable, shall exercise its best efforts in operating the Franchised Business, but neither Franchisor nor the Franchisor Affiliate shall be liable for any losses incurred by the Franchised Business during the time of such temporary operation or thereafter

~~If an interest is not transferred on death or Permanent Disability as required in this Section 20 5, then the failure shall constitute a material default of this Agreement~~ **(b) On the death of any of Your Owners, this Agreement, any related agreement, the Franchise or the Franchised Business**, the executor, administrator, **personal representative or trustee ("personal representative") of the deceased person shall transfer his or her interest to a third party or trust acceptable to Franchisor within 240 days after assuming that capacity. Any transfer of this type shall be subject to the same requirements as other transfer under this Agreement, but if the transfer is to a spouse, child or parent, or to a trust established in the name of a spouse, child or parent, the Transfer Fee required under Section 20 2(i) shall not be required**

20 6 Effect of Consent Franchisor's consent to a Transfer shall not constitute a waiver of any claims that Franchisor has against the transferring party, nor shall it waive Franchisor's right to demand substantial compliance with any terms of this Agreement by the transferee

20 7 Transfers Among Your Controlling Owners In the event that any of Your Controlling Owners wish to effect Transfers, by and among themselves, of their respective Ownership Interests in You, the Transfers shall be considered approved, provided that (i) the same Persons are Your Controlling Owners both before and after the Transfers, (ii) the aggregate interests held by all of Your Controlling Owners both before and after the Transfers are the same (*i e* , the Transfers are not to Persons who are not already Your Controlling Owners, and do not result in any of Your Controlling Owners having no interest in You after the Transfers), (iii) there is substantial compliance with Sections 20 2(a) and (b), and (iv) there is substantial compliance with Section 20 2(c) as to Your Controlling Owners having no interest in You after the Transfers The Transfers shall not be subject, however, to the conditions set forth in Sections 20 2(d)-(~~l~~)**k) (which means, for example, that the Transfer Fee required under Section 20 2(i) shall not be required).**

20 8 Other Transfers Regarding Transfers not covered by Section 20 2 or Section 20 7, if any of Your Owners wish to effect Transfers, You shall promptly notify Franchisor of the proposed Transfers in writing, and shall provide any information relative thereto that Franchisor reasonably requests before the Transfers The transferees must have good moral character, good business

reputations and acceptable credit ratings as determined by Franchisor in its discretion, and may not operate or have any interests in any Competitive Businesses If any transferees attend Franchisor's initial training program, before attending, they shall execute Confidentiality Agreements and Ancillary Covenants Not to Compete as set forth in Attachment 5

20 9 Estate Planning Transfers, Null and Void Transfers A Transfer for estate planning purposes, such as transfer of ~~title to~~ a Controlling Interest to a trust established in the name of the Controlling Owner, shall not require the prior written consent of Franchisor, if the Transfer does not involve a transfer or assignment of this Agreement, a transfer or assignment of a Controlling Interest to another party (other than a trust established in the name of the Controlling Owner), or a transfer or assignment of substantially all of the assets of the Franchised Business Any purported Transfer, by operation of law or otherwise, requiring the prior written consent of Franchisor that does not have such consent, shall be null and void, and shall constitute a material default of this Agreement

21. INDEMNIFICATION

21 1 Indemnification by You You shall at all times indemnify, to the fullest extent permitted by law, the Franchisor Indemnitees from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, counterclaim, demand, investigation or formal or informal inquiry pursued by any third party (collectively, an "Action"), or any settlement of any Action (whether or not a formal proceeding has been instituted), except as to (i) any claim arising out of a breach of this Agreement by Franchisor or the Franchisor Indemnitees, (ii) any claim based on any other civil wrong of Franchisor or the Franchisor Indemnitees, or (iii) any claim based on Franchisor's strict liability under the law, that arises out of or is based on any of the following acts or omissions

(a) The infringement, alleged infringement, or any other violation or alleged violation by You, or by any of Your Affiliates, Your Principals or Your Owners, of any patent, trademark, copyright or other proprietary right owned or controlled by a third party (except to the extent occurring with respect to any right granted under Section 16 to use the any of the Intellectual Property)

(b) The violation or breach, or the alleged violation or breach, by You, or by any of Your Affiliates, Your Principals or Your Owners, of any federal, state or local law, regulation, ruling, standard or directive, or any accepted industry standard

(c) Libel, slander or any other form of defamation by You, or by any of Your Affiliates, Your Principals or Your Owners, of Franchisor, the System, or any SERENDIPITY LABS system developer or franchisee

(d) The violation or breach by You of any warranty, representation, agreement or obligation in this Agreement, or the violation or breach by You of any other agreement between You or Your Affiliates and Franchisor or Franchisor Affiliates, or the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of any of them

(e) Acts, errors or omissions of You, or of any of Your Affiliates, Your Principals or Your Owners, or of their respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees, in connection with the establishment and operation of the Franchised Business, including any acts, errors or omissions of any of the foregoing

in the operation of any motor vehicle You specifically acknowledge (i) that Franchisor does not have any reserved or general right to exercise control over, and does not exercise any indirect or direct control over, the day-to-day operation of the Franchised Business (including operations-related functions such as safety and security, the use of equipment and motor vehicles, and the delivery of products and services to Clients, and personnel-related functions such as recruiting, interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing), (ii) that all liability arising out of the operation of the Franchised Business is therefore your responsibility, and (iii) that your indemnification obligation to the Franchisor Indemnitees under this Section 21 1 covers any "joint employer," "agency," "ostensible agency" or similar claims by third parties based on the establishment or operation of the Franchised Business

21 2 Third Parties The Franchisor Indemnitees do not assume any liability for any acts, errors or omissions of any third party with whom You, Your Affiliates, Your Principals or Your Owners, or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of You, Your Affiliates, Your Principals or Your Owners, may contract, regardless of the purpose You and Your Controlling Owners shall indemnify the Franchisor Indemnitees for all Losses and Expenses arising out of any acts, errors or omissions of You, Your Affiliates, Your Principals or Your Owners, or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of You, Your Affiliates, Your Principals or Your Owners, and any such third party, without limitation and without regard to the cause or causes of the acts, errors or omissions, or the negligence (whether sole, joint or concurrent, and whether active or passive) of any other party or parties arising in connection therewith, except with regard to acts or omissions of the Franchisor Indemnitees, for which Franchisor shall indemnify You, Your Affiliates, Your Principals or Your Owners, or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of You, Your Affiliates, Your Principals or Your Owners as provided herein Under no circumstances shall the Franchisor Indemnitees be required or obligated to seek recovery from any third party or otherwise to mitigate their losses in order to maintain a claim against You Nevertheless, the Franchisor Indemnitees are required to undertake reasonable efforts to mitigate their losses

21 3 Notice of Claims, Legal Counsel You covenant to give Franchisor prompt notice of any Action for which any Franchisor Indemnitee may be entitled to indemnification under Section 21 1, even if none of the Franchisor Indemnitees is initially named as a party to such Action As to any such Action, You shall retain legal counsel reasonably satisfactory to Franchisor with respect to the defense and/or settlement of the Action, and, except as otherwise provided in this Agreement, shall control the defense and/or settlement of the Action If You are unable or unwilling to retain such legal counsel, at the expense and risk of You, Franchisor may elect (but under no circumstance is Franchisor obligated) to retain legal counsel of its own choosing with respect to the defense and/or settlement of such Action The assumption of control of the defense and/or settlement of such Action by Franchisor shall, in no manner or form, diminish the obligation of You to indemnify the Franchisor Indemnitees

21 4 Control of Settlement In order to protect its reputation or goodwill, Franchisor may, at any time, agree to a settlement (after it has conferred with You in good faith before agreeing to the settlement), or take other remedial or corrective actions that it considers expedient, with respect to an Action if, in Franchisor's reasonable business judgment, there are grounds to believe that (i) any act or circumstance enumerated in Section 21 1(a) through (d) has occurred, or (ii) any act, error, or

omission as described in Section 21 1(e) has occurred that may result in damage to Franchisor's reputation or goodwill Notwithstanding the foregoing, Franchisor may not, at any time, agree to a settlement or take other remedial or corrective actions that it considers expedient with respect to an Action involving employee-related or labor relations matters ("Employment Action") by employees of You and/or Your Affiliates against You and/or Your Affiliates Furthermore, You shall have full control over the defense of an Employment Action and shall act in good faith to amicably settle the Employment Action if in the best interest of You and Franchisor

21 5 No Waiver All Losses and Expenses incurred under Sections 21 1 through 21 4 shall be chargeable to and paid by You pursuant to the indemnification obligations under Sections 21 1 through 21 4, regardless of any actions, activity, or defense undertaken by Franchisor, or the subsequent success or failure of those actions, activity, or defense, unless, in the context of Section 21 4, Franchisor has failed to first confer with You in good faith

21 6 Survival The terms of this Section 21 shall survive the expiration or rightful termination of this Agreement, or any Transfer

21 7 Indemnification by Franchisor Franchisor shall at all times indemnify, to the fullest extent permitted by law, the Franchisee Indemnitees from all Losses and Expenses incurred in connection with any Action or any settlement of any Action (whether or not a formal proceeding has been instituted), except as to (i) any claim arising out of a breach of this Agreement by You, Your Principals or Your Owners, (ii) any claim based on any other civil wrong of You, or any of Your Affiliates, Your Principals or Your Owners, or (iii) any claim based on your, Your Affiliates', Your Principals' or Your Owners' strict liability under the law, that arises out of or is based on any of the following acts or omissions

(a) The infringement, alleged infringement, or any other violation or alleged violation by Franchisor, or its officers or representatives of any patent, trademark, copyright or other proprietary right owned or controlled by a third party

(b) The violation or breach, or asserted violation or breach, Franchisor, or its officers or representatives of any federal, state or local law, regulation, ruling, standard or directive, or any accepted industry standard

(c) Libel, slander or any other form of defamation by Franchisor, or its officers or representatives

(d) The violation or breach by Franchisor of any warranty, representation, agreement or obligation in this Agreement, or in any other agreement between You or Your Affiliates and Franchisor or Franchisor Affiliates, or the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of any of them

(e) Acts, errors or omissions of Franchisor, or its officers or representatives in connection with the operation of Franchisor's business, including any acts, errors or omissions of any of the foregoing relating to the operation of any motor vehicle or to any security breaches in Franchisor's intranet and other systems

(f) Your use of the Intellectual Property, provided that your conduct and the conduct of Your Principals with respect to the use of such Intellectual Property is in substantial compliance with the terms of this Agreement and the Standards

(g) Under no circumstances shall the Franchisee Indemnitees be required or obligated to seek recovery from any third party or otherwise to mitigate their losses in order to maintain an indemnification claim against Franchisor Nevertheless, the Franchisee Indemnitees will undertake reasonable efforts to mitigate their losses Franchisor agrees that the failure to pursue recovery from any third party, or otherwise to mitigate losses, shall in no way reduce the amounts recoverable from Franchisor by the Franchisee Indemnitees Franchisor covenants to give You prompt notice of any Action for which the Franchisee Indemnitees may be entitled to indemnification under this Section 21 7, even if the Franchisee Indemnitees are not initially named as parties to such Action As to any such Action, Franchisor, in its reasonable business judgment, shall retain legal counsel of its own choosing with respect to the defense and/or settlement of the Action If Franchisor is unable or unwilling to retain such legal counsel, at the expense and risk of Franchisor, the Franchisee Indemnitees may elect (but under no circumstance are they obligated) to retain legal counsel of their own choosing with respect to the defense and/or settlement of such Action The assumption of control of the defense and/or settlement of such Action by the Franchisee Indemnitees shall, in no manner or form, diminish the obligation of Franchisor to indemnify the Franchisee Indemnitees The Franchisee Indemnitees may, at any time, agree to a settlement (after they have conferred with Franchisor in good faith before agreeing to the settlement), or take other remedial or corrective actions that they consider expedient, with respect to such Action if, in their reasonable business judgment, there are reasonable grounds to believe that (i) any of the acts or circumstances enumerated in this Section 21 7 have occurred, or (ii) any act, error, or omission as described in this Section 21 7 may result directly or indirectly in damage, injury, or harm to any Person or any property All Losses and Expenses incurred under this Section 21 7 shall be chargeable to and paid by Franchisor pursuant to the indemnification obligations under this Section 21 7, regardless of any actions, activity or defense undertaken by the Franchisee Indemnitees, and regardless of whether the Franchisee Indemnitees have been able to mitigate their losses, or the subsequent success or failure of such actions, activity or defense Franchisor's obligations under this Section 21 7 shall survive the expiration or termination of this Agreement

22. RELATIONSHIP OF THE PARTIES

22 1 Relationship of Parties Under this Agreement, You are an independent contractor with entire control and direction of the Franchised Business, subject only to the terms of this Agreement and its attachments**, and to the terms of any management agreement related to the Franchised Business between You and Franchisor or a Franchisor Affiliate** This Agreement is not intended to, and does not create a fiduciary or other special relationship between the parties, or make any party a principal, agent, legal representative, parent, affiliate, subsidiary, joint venturer, partner, employer, joint employer, employee or servant of any other party for any purpose In that regard

(a) Franchisor has no right or duty to operate the Franchised Business, and disclaims any liability under this Agreement for any damages arising out of the operation of the Franchised Business

(b) You are solely responsible for recruiting, interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing your personnel, and your personnel are not our employees, independent contractors or agents Franchisor has no right or duty to supervise, or to exercise control over, your personnel in the operation of the Franchised

Business, and disclaims any rights or responsibilities as to your personnel You are solely responsible for consulting with your own third party human resources ("HR") service provider and/or legal counsel concerning compliance with personnel laws and regulations that are applicable within the Protected Territory, and for complying with those laws and regulations

(c) Except as provided in this Agreement, the OASIS Platform Services Agreement and any Development Agreement, You are solely responsible for training your personnel To the extent that Franchisor provides You with guidelines, recommendations, materials and other resources related to training your management and non-management personnel, You may use those training resources, or may choose to use alternate training resources, so long as your management and non-management personnel are trained to operate the Franchised Business in a System-compliant, Standards-compliant, legal and safe manner

(d) You are solely responsible for establishing and enforcing your own policies related to personnel practices and labor relations policies To the extent that Franchisor provides You with guidelines, recommendations, materials and other resources related to personnel practices and labor relations, You may use those resources, or may choose to use alternate resources You are solely responsible for consulting with your own third -party HR service provider and/or legal counsel concerning compliance with personnel and labor relations laws and regulations that are applicable within the Protected Territory, and for complying with those laws and regulations

22 2 Notices to Public During the Term, You shall hold yourself out, to the public, public officials, your suppliers, your independent contractors and others, as an independent contractor operating the Franchised Business pursuant to rights granted by Franchisor, but not jointly with Franchisor You shall take any reasonable action that Franchisor considers necessary to that end, including exhibiting notices of the parties' relationship in a conspicuous manner at the Franchised Business, and on websites, letterhead, forms, business cards, electronic communications, advertisements, and other materials Franchisor reasonably designates Franchisor reserves the right to specify and change the content and form of these notices

22 3 Statements to and Acknowledgments by Employees During the Term, You shall hold yourself out to your prospective employees, and to your employees, as an independent contractor operating the Franchised Business pursuant to rights granted by Franchisor, but not jointly with Franchisor You shall take any reasonable action that Franchisor considers necessary to that end, including (i) stating conspicuously on each employment application that the prospective employee is applying to be your employee and not an employee of Franchisor, (ii) stating your entire business name, rather than just using Franchisor's brand name and/or logo, on your payroll checks and/or payroll-related communications to employees, and (iii) requiring employees to sign acknowledgments that they are not employees of Franchisor, even though they are selling products and services identified by Franchisor's brand name and/or logo, are receiving payroll checks and other communications that contain Franchisor's brand name and/or logo, may have applied for jobs through Franchisor's website, or may communicate with or receive non-mandatory feedback, coaching or recommendations from representatives of Franchisor in emails or other electronic or written communications, or during telephone calls, meetings or inspections Franchisor reserves the right to specify and change the content and form of these statements and acknowledgments

22 4 Contracts, Etc Nothing in this Agreement authorizes You to make any contract, agreement, warranty or representation on Franchisor's behalf, to incur any obligation, debt or expense in Franchisor's name, or to make any representation to any third party tending to indicate a business relationship with Franchisor beyond that created under this Agreement Franchisor disclaims any liability for, and shall not be liable under this Agreement for any claim or judgment arising as a result of, any such action Under this Agreement, no party is responsible for any obligations, debts or expenses of any other party

23. TERMINATION

23 1 Automatic Termination All rights granted by this Agreement shall automatically terminate without notice to You

(a) If You become insolvent or make a general assignment for the benefit of creditors

(b) If You file a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state, or admit in writing an inability to pay debts when due

(c) If You are adjudicated bankrupt or insolvent in a proceeding filed against You under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state, or if a bill in equity or other proceeding for the appointment of a receiver of You or other custodian for the business or assets is filed and consented to by You, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction

(d) If a proceeding for a composition with creditors under any state or federal law is instituted by or against You, and is not dismissed or discharged within 30 days

(e) If a final, non-appealable, judgment against You remains unsatisfied or of record for 90 days or longer (unless a supersedeas bond is filed)

(f) If You are dissolved (with the exception of an inadvertent administrative dissolution, if You are promptly reinstated)

(g) If execution is levied against your business or property

(h) If You are the premises or equipment owner, and if suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Business is instituted and not dismissed within 30 days

(i) If the real or personal property owned or leased by the Franchised Business is sold after levy thereon by any sheriff, marshal or constable

23 2 Termination By Franchisor On Notice, Sometimes After Opportunity to Cure You shall be in material default of this Agreement, and Franchisor, at its option, may terminate this Agreement, without affording You any opportunity to cure the material default except as provided below, effective immediately when Franchisor gives written notice to You (subject to any cure period requirement or longer cure period requirement under applicable law), on the occurrence of any of the following events

(a) If You fail to locate a mutually acceptable site for the Franchised Business as provided in Section 4 1

(b) Unless You are prevented from doing so by a Force Majeure event, if You fail to construct or remodel the Franchised Business in substantially accordance with the plans and specifications provided to You under Section 4 6 (as those plans are adapted with Franchisor's prior written approval in accordance with Section 4 7), in each case after a 60-day opportunity to cure

(c) If You fail to open the Franchised Business for business by the Opening Date**, unless such failure is due to delays in Franchisor's approval process**

(d) If You operate the Franchised Business, or sell any products or services authorized by Franchisor to be sold at the Franchised Business, at or from any place other than the Location, after a 30-day opportunity to cure

(e) If You at any time cease to operate or otherwise abandon the Franchised Business, or if You lose the right to possession of the premises of the Franchised Business, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located For purposes of this provision, the term "abandon" shall mean your failure to operate the Franchised Business for 3 consecutive Business Days, or your performance of any act evidencing your intent to permanently cease operating the Franchised Business as a SERENDIPITY LABS Business This provision shall not apply if the Franchised Business is being renovated, or if, through no fault of yours, the Franchised Business has been damaged or destroyed by a Force Majeure event, provided that Franchisor has approved the renovation of the Franchised Business, or You notify Franchisor of the Force Majeure event pursuant to Section 25 5 and You relocate or rebuild the Franchised Business pursuant to Section 4 3

(f) If You or any of Your Controlling Owners are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the goodwill associated with the System, or Franchisor's interest in the System

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Franchised Business

(h) RESERVED

(i) If You or any of Your Owners purport to effect a Transfer in violation of this Agreement

(j) If You or Your Affiliates do not pay when due any monies owing to Franchisor or any Franchisor Affiliate under this Agreement, or under any other agreement (which shall include any development agreement, or any agreement requiring payment to a lender where Franchisor or the Franchisor Affiliate has guaranteed the underlying indebtedness), or You do not submit the financial or other information required by Franchisor under this Agreement, after a 30-day opportunity to cure

(k) If **Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, and if** You fail to pay a third -party supplier or trade creditor according to applicable credit terms, after a 30-day opportunity to cure~~,~~**, except with respect to payments that are subject to a good faith dispute**

(l) If You or any of Your Principals fails to comply with any in-term covenant in Section 10 1 or 10 2, or if You fail to obtain execution of any covenant required under Section 10 2(g), after a 30-day opportunity to cure

(m) If You or any of Your Principals knowingly misuse any Confidential Information in violation of Section 10 1, or if You fail to obtain execution of the covenants required under Section 10 1, after a 30-day opportunity to cure

(n) If a Transfer on death or Permanent Disability is not made in accordance with Section 20 5 within the applicable time period set forth in that Section, or if You fail to offer Franchisor the right of first refusal set forth in Section 20 4

(o) If You embezzle funds, knowingly commit fraud relating to the operation of the Franchised Business, knowingly maintain false books or records related to the Franchised Business, or knowingly submit any materially false report to Franchisor regarding your Gross Revenue

(p) If You breach in any material respect any representation, warranty or covenant set forth in Section 6 4, after a 30-day opportunity to cure

(q) If You fail to procure and maintain the insurance policies required by Section 15, after a 30-day opportunity to cure

(r) If You or any of Your Principals misuse or make any unauthorized use of any of the Intellectual Property, or otherwise materially impair the goodwill associated therewith or Franchisor's rights therein, after a 24-hour opportunity to cure

(s) If You fail to substantially comply with any prescribed Software License or Software Maintenance Agreement, or the Terms of Use Agreement, after a 30-day opportunity to cure

(t) If You fail to obtain, install or maintain the computer hardware, Software and communication lines required pursuant to Sections 8 7 and 11 2, after a 30-day opportunity to cure

(u) If You fail to substantially comply with Franchisor's requirements concerning the Intranet as set forth in Section 8 8, after a 30-day opportunity to cure

(v) If You fail to substantially comply with Franchisor's requirements concerning any Internet website established by Franchisor as set forth in Section 14 8 or 14 9, after a 30-day opportunity to cure

(w) If ~~You~~**Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement, and if You repeatedly** commit ~~more than 3~~ material defaults of this Agreement ~~in any 12~~**of a similar nature for which Franchisor has given You written notice in any 6**-month period, whether or not those ~~material defaults are of the same or different nature, and whether or not those material~~ defaults are cured by You after **written** notice ~~by~~**from** Franchisor

For any material default by You enumerated under this Section 23 for which You are afforded a cure period, if it is impractical to cure the material default within the cure period because of a Force Majeure event, or because of any other circumstance beyond your control, and if You have commenced efforts to cure the subject material default and are diligently pursuing those efforts within the cure period, then the cure period herein prescribed shall be extended for an additional period as shall be reasonably necessary to accomplish such cure

23 3 Termination By Franchisor After Opportunity to Cure Except as provided in Sections 23 1 and 23 2, on any material default by You, Franchisor may terminate this Agreement by giving written notice of material default and termination to You stating the nature of the material default at least 30 days before the effective date of rightful termination However, You may avoid rightful termination by promptly initiating a remedy to cure the material default and curing it to Franchisor's reasonable satisfaction within the 30-day cure period, and by promptly providing proof thereof to Franchisor However, if it is impractical to cure the material default within the cure period because of circumstances beyond your control, and if You have commenced efforts to cure the subject material default and are diligently pursuing those efforts within the cure period, then the cure period herein prescribed shall be extended for an additional period as shall be necessary to accomplish such cure If any material default is not cured within the specified time (or such longer period as applicable law may require, or as provided in the immediately preceding sentence), this Agreement shall terminate without further notice to You, effective immediately on the expiration of the 30-day period (or such longer period as applicable law may require, or as provided hereinabove) Material defaults that are susceptible of cure may include the following illustrative events

(a) Your failure to substantially comply with any of the requirements imposed by this Agreement, or your failure to carry out the terms of this Agreement in good faith

(b) Your failure to materially maintain or observe any of the Standards

(c) Your failure, refusal or neglect to obtain Franchisor's prior written approval or consent as required by this Agreement

23 4 Termination by You for Cause You may terminate this Agreement for cause, if Franchisor has materially defaulted in the performance of any material obligation under this Agreement, and if

(a) You have given Franchisor written notice of termination specifying the material default, and

(b) Franchisor has failed to cure a noticed material default within 60 days after the notice is given, but if Franchisor is delayed, hindered in or prevented from the performance of any act required by the notice because of a Force Majeure event, or because of any other circumstance beyond Franchisor's control, then performance of the act will be excused for the period of delay, and the period of performance of the act shall be extended for a period equivalent to the period of the delay

23 5 Disclaimer Franchisor disclaims any right under this Section 23 to terminate this Agreement based on any decision or action by You regarding recruiting, interviewing, hiring, keeping the time of, scheduling, processing the payroll of, supervising, disciplining or firing your personnel

24. POST-EXPIRATION AND POST-TERMINATION

On expiration of this Agreement, or on rightful termination by Franchisor of this Agreement under Section 23 1, 23 2 or 23 3, **all rights granted by this Agreement to You shall immediately terminate. On that expiration or rightful termination,** You and Franchisor, as applicable, shall take each of the following steps

24 1 Operations You shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a ~~present or former~~ franchisee of Franchisor

24 2 Confidential Information You shall immediately cease to use, in any manner whatsoever, the Confidential Information, the Software, the Reservation System, and any proprietary methods, procedures and techniques associated with the System Franchisor shall immediately cease to use, in any manner whatsoever, any confidential information received from You about your business during the Term, except Franchisor may use such information to compile and use aggregated information about SERENDIPITY LABS Businesses operating under the System while the Franchised Business was part of the System, and may use such aggregated information in any lawful manner The restrictions in this Section 24 2 on the use by You and Franchisor of confidential information, and the restrictions in this Section 24 2 on the use by You of the Software, the Reservation System, and any proprietary methods, procedures and techniques associated with the System, shall be perpetual

24 3 Assumed Names You shall take all actions necessary to cancel any assumed name or equivalent registration that contains all or any part of the Mark "SERENDIPITY LABS," or any other Mark, and You shall furnish to Franchisor evidence satisfactory to Franchisor of substantial compliance with this obligation within 30 days after expiration or rightful termination of this Agreement

24 4 Intellectual Property You shall immediately and permanently cease to use, in any manner whatsoever, the Marks (including the "SERENDIPITY LABS" Mark) or any reproduction, counterfeit, copy or colorable imitation of the Marks which (i) is likely to cause confusion, mistake or deception, (ii) is likely to dilute Franchisor's or a Franchisor Affiliate's rights therein, or (iii) is likely to falsely suggest or represent an association or connection with Franchisor or a Franchisor Affiliate, whether or not constituting unfair competition, and the Patents and the Copyrighted Works Specifically, but not exclusively and without limiting the generality of the foregoing, You shall cease to use all signs, Trade Dress, advertising and marketing materials, displays, stationery, forms and other articles which display the Marks, reflect any design subject to a Patent, or constitute Copyrighted Works

24 5 Payments You shall promptly pay all amounts rightfully owed to Franchisor and Franchisor Affiliates, and You shall promptly pay all amounts rightfully owed to suppliers and trade creditors

24 6 Return of Materials You shall promptly deliver to Franchisor all Confidential Information (including the Manuals), all records, files, instructions, correspondence and other materials related to operation of the Franchised Business or related to any Client (including the original or copies, as Franchisor requests, of all Client agreements, records and invoices), and all Software licensed by Franchisor, in your possession or control, as well as all copies of any of them (all of which in any form whatsoever are acknowledged to be Franchisor's property) You may not retain any copy or record of any of the foregoing, except copies of this Agreement, any correspondence between the parties and any other documents that You reasonably need to substantially comply with any provision of law

24 7 Confidentiality and Non-Competition You, Your Principals, Your Owners and Franchisor shall substantially comply with the restrictions on confidential information and the non-competition covenants, as applicable, contained in Section 10, regardless of the basis for any rightful termination Any other Person required to execute similar covenants pursuant to Section 10 2(g) shall also substantially comply with those covenants Notwithstanding the foregoing, if You terminate this Agreement pursuant to Section 23 4, You, Your Principals and Your Owners, and any of your employees, agents, and contractors at the Location, shall not be bound by the non-competition covenants in this Agreement, in any Confidentiality Agreement and Ancillary Covenants Not to Compete, or in any similar agreements

24 8 Advertising and Marketing Materials You shall furnish Franchisor an itemized list of all advertising and marketing materials bearing the Marks or any of Franchisor's distinctive markings, designs, labels or other marks thereon, whether located at the premises of the Franchised Business or under your control at any other location Franchisor may inspect these materials Franchisor shall have the option, exercisable within 30 days after inspection, to purchase any or all of the materials at your cost, or to require You to destroy or properly dispose of the materials Any of these materials not purchased by Franchisor may not be utilized by You or any other party for any purpose, unless authorized in writing by Franchisor

24 9 Leases If You lease the premises of the Franchised Business or lease any equipment used in the operation of the Franchised Business from a third party, then You shall, at Franchisor's option, assign to Franchisor any interest that You have in the lease or sublease, subject to You being released from all liability under the lease or sublease Franchisor may exercise this option at any time within 30 days after expiration or rightful termination of this Agreement The time for closing on the assignment of the lease described in this Section 24 9 shall be a date no later than 10 Business Days after Franchisor's exercise of its option hereunder, unless Franchisor is also exercising its purchase option under Section 24 10, in which case the date of the closing shall be on the same closing date prescribed for the purchase pursuant to the purchase option In any event, closing shall take place at Franchisor's corporate offices or at such other location as the parties may agree

24 10 Purchase Option Except as provided in Section 24 9 (with respect to leased equipment), Franchisor shall have the option, to be exercised within 30 days after expiration or rightful termination of this Agreement, to purchase from You any or all of the furnishings, equipment (including Computer Systems not licensed by Franchisor), signs, fixtures, furniture, motor vehicles, supplies, inventory and other assets belonging to You related to the operation of the Franchised Business, at your cost or fair market value, whichever is less, subject to You being released from all liability relating to the assets purchased Franchisor shall purchase your assets only, and shall assume no liabilities whatsoever, unless otherwise agreed to in writing by Franchisor If the parties cannot agree on the fair market value within 30 days after Franchisor's exercise of its option, fair market value shall be determined by two appraisers, with each party selecting one appraiser, and the average of their determinations shall be binding In the event of such appraisal, each party shall bear its own legal and other costs, and shall split the appraisal fees equally If Franchisor elects to exercise the purchase option herein provided, it shall have the right to set off all amounts rightfully due from You to Franchisor and Franchisor Affiliates (including appraisal fees) and any reasonable out-of-pocket costs incurred in connection with any escrow arrangement (including reasonable legal fees) against any payment for the purchase, and shall pay the remaining amount to You in cash

In addition to the purchase option described above, if You own the premises of the Franchised Business, Franchisor shall have the right and option, to be exercised at or within 30 days after expiration or rightful termination of this Agreement, to lease the premises of the Franchised Business from You for a 10-year term, with successive 5-year renewal options, at then-current market rental rates If the parties cannot agree on then-current fair market rental rates (for purposes of lease) within 30 days after Franchisor exercises its option, such fair market rental rates shall be determined in accordance with the appraisal procedure described above

With respect to the options described in this Section 24 10, You shall deliver to Franchisor, in a form satisfactory to Franchisor, such warranties, deeds, releases of lien, bills of sale, assignments and other documents and instruments necessary in order to perfect Franchisor's title and possession in and to the properties being purchased or assigned, and to meet the requirements of all tax and government authorities If, at the time of closing, You have not obtained all of these certificates and documents, Franchisor may, in its discretion, place the purchase price or rent in escrow pending issuance of any required certificates or documents

The time for closing of the purchase and sale of the properties described in this Section 24 10 shall be a date no later than 60 days after the purchase price is determined by the parties or the appraisers, or such date Franchisor receives and obtains all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date Closing shall take place at Franchisor's corporate offices or at such other location as the parties may agree

24 11 Assignment of Service Agreements You hereby agree to assign, on expiration or termination of this Agreement, and Franchisor, at its option, has the right but not the obligation to assume, all Service Agreements to which You are a party on the date of such expiration or termination You hereby agree to execute any and all documents necessary, in Franchisor's discretion, to effectuate the assignments set forth in this Section 24 11, and You hereby appoint Franchisor your true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action to complete these assignments This power of attorney shall survive the expiration or termination of this Agreement In the event of assignments pursuant to this Section 24 11, Franchisor shall remit to You payments received under such Service Agreements on account of services performed by You prior to the assignments, *minus* any amounts rightfully due from You and Your Affiliates to Franchisor and Franchisor Affiliates

24 12 Modification of Location If Franchisor does not exercise its options under Sections 24 9 **and**/or **Section** 24 10, You shall make all **reasonable** modifications ~~or alterations~~ to the premises of the Franchised Business that are **reasonably** necessary to distinguish ~~the~~**its** appearance ~~of~~**from** the ~~Franchised Business from that of other~~**appearance of** SERENDIPITY LABS Businesses~~, including ceasing to use any Trade Dress, and shall make any specific additional changes that Franchisor reasonably requests~~. **The modifications primarily shall involve changing exterior and interior signage, and eliminating unique reception area and conference room furnishings and unique color palates associated with SERENDIPITY LABS Businesses, and shall not involve moving walls or kitchen areas.** Nothing in this Section 24 12 is intended to relieve any Person from the obligations and restrictions contained in Section 10

24 13 Assignments If reasonably requested by Franchisor, You shall assign to Franchisor or its designee of all of your rights to (i) all telephone numbers of the Franchised Business and any related Yellow Pages or other business listings, and (ii) all email addresses, URLs, domain names, Internet listings and Internet accounts (including social media accounts) related to the Franchised

Business You shall thereafter use different telephone numbers and email addresses or listings at or in connection with any subsequent business conducted by You Your assignment obligations of this Section 24 13 shall apply only to the extent that such telephone numbers, business listings, email addresses, URLs, domain names, Internet listing and Internet accounts will not be used by You or Your Affiliates in the continued operation of other SERENDIPITY LABS Businesses

24 14 Assignment of Options Franchisor may assign some or all of its options under Sections 24 9, 24 10, 24 11 and/or 24 13 to any other party or parties without your consent

On rightful termination of this Agreement by You under Section 23 4, You and Franchisor, as applicable, shall take each of the following steps

24 15 General You shall take the steps required in Sections 24 2, 24 3, 24 4, 24 5, 24 6 and 24 8, and You shall take the confidentiality steps required in Section 24 7

24 16 Modification of Location You shall make all modifications~~ or alterations~~ to the ~~location~~**premises** of the Franchised Business that are **reasonably** necessary to distinguish ~~the~~**its** appearance ~~of~~**from** the ~~location from that~~**appearance** of SERENDIPITY LABS Businesses~~, including ceasing to use any Trade Dress, and shall make any specific additional changes that Franchisor reasonably requests in that respect~~. **The modifications primarily shall involve changing unique exterior and interior signage, and eliminating unique reception are and conference room furnishings and unique color palates associated with SERENDIPITY LABS Businesses, and shall not involve moving walls or kitchen areas**

24 17 Clients and Prospective Clients You, Your Owners, Your Principals, and any of your employees, agents and contractors at the Location, shall not be bound by the non-competition covenants contained in Section 10 2 or any separately executed similar covenants (except to the extent You, Your Owners, and/or Your Principals are bound by the non-competition covenants pursuant to any other executed SERENDIPITY LABS franchise agreements at the time of termination) If You continue to operate the location of the Franchised Business as a facility offering products and services similar to those offered by SERENDIPITY LABS Businesses, Clients and prospective Clients which You brought to the SERENDIPITY LABS system or developed through your own marketing and/or service efforts shall remain your Clients and prospective Clients, and Franchisor shall promptly purge from its databases and records information on such Clients and prospective Clients, unless by law Franchisor is mandated to maintain such information

25. MISCELLANEOUS

25 1 Notices and Demands All notices or demands required or permitted under this Agreement shall be in writing, and shall be deemed received (i) at the time delivered by hand to the recipient party, (ii) the next Business Day after being sent via guaranteed overnight delivery by a commercial courier service, (iii) on confirmation of receipt by addressee if sent by email, or (iv) 5 Business Days after being mailed by certified mail All notices, payments and reports shall be sent to a party at the address reflected in Attachment 1, unless and until a different address has been designated in writing to the party

25 2 Integration This Agreement, ~~the documents referred to in this Agreement, and~~**(including** the Attachments to this Agreement~~, constitute~~**), constitutes** the entire, full and

complete agreement between You and Franchisor ~~concerning~~**relating to** the subject matter ~~of this Agreement, and except as specifically provided otherwise in this Agreement, supersede all prior related~~**hereof, and supersedes all prior** representations, understandings or agreements **among or** between You~~ and~~**,** Franchisor**and Your Affiliates or Franchisor Affiliates relating to the subject matter hereof**, except the representations ~~by~~**of** Franchisor in the Franchise Disclosure Document provided to You in connection with the execution of this Agreement Nothing in this Agreement ~~or in any related agreement~~ is intended to disclaim the representations **of** Franchisor~~ has made~~ in the Franchise Disclosure Document No amendment, change or variance from this Agreement shall be binding on any party unless mutually agreed to by all of the parties and executed by their authorized officers or agents in writing

25 3 No Waiver No delay, waiver, omission or forbearance on the part of either party to exercise any right, option, duty or power arising out of any material default by the other party under this Agreement shall constitute a waiver by such party to enforce any such right, option, duty or power against the defaulting party, or as to a subsequent material default by the defaulting party Acceptance by a party of any payment due to it under this Agreement after the time at which the payment is due shall not be a waiver by the receiving party of any preceding material default by the other party of any term, provision, covenant or condition of this Agreement

25 4 Approvals and Consents Whenever this Agreement requires the prior approval or consent of Franchisor, You shall make a timely written request to Franchisor for the approval or consent, the approval or consent must be obtained in writing, and the approval or consent shall not be unreasonably withheld, conditioned or delayed by Franchisor Franchisor's failure to respond to a request shall constitute neither the grant nor the denial of any consent or approval Franchisor makes no warranties or guarantees on which You may rely, and assumes no liability or obligation to You or to any third party to which Franchisor would not otherwise be subject, by providing any approval or consent, or by providing any other waiver, advice or suggestion to You in connection with this Agreement

25 5 Consequences of Force Majeure Event Despite the occurrence of any Force Majeure event (and in addition to any payments required under Section 23 2(e)), You shall continue to be obligated to pay to Franchisor all amounts that You became duly obligated to pay in accordance with the terms of this Agreement before the occurrence of the Force Majeure event, and the Franchisor Indemnitees shall continue to be indemnified by You in accordance with Section 21 Except as provided in Section 23 2(e) and the immediately preceding sentence, no party shall be held liable for a failure to substantially comply with any terms and conditions of this Agreement when the failure is caused by a Force Majeure event On the occurrence of any Force Majeure event, the affected party shall give prompt notice thereof to the other party(ies), together with a description of the event, the duration for which the party expects its ability to substantially comply with the provisions of this Agreement to be affected thereby, and a plan for resuming operation under this Agreement (which plan the party shall promptly undertake and maintain with due diligence) The affected party shall be liable for failure to give timely notice pursuant to this Section 25 5 only to the extent of damage actually caused by the delay

26 DISPUTE RESOLUTION

26 1 Choice of Law Except to the extent this Agreement or any particular dispute is governed by the U S Trademark Act of 1946 or other federal law, or by any law regulating the sale

of franchises or governing the relationship between a franchisor and a franchisee whose jurisdictional requirements are met independently of this Section 26 1, this Agreement shall be governed by and construed in accordance with the laws of the state of Connecticut (without reference to its conflict of laws principles), provided, however, that if any term of this Agreement is not enforceable under the laws of the state of Connecticut, that term shall be governed by the laws of the state in which the largest portion of your Protected Territory is located References to any law refer also to any successor laws and to any published regulations for such laws as in effect at the relevant time References to a governmental agency also refer to any regulatory body that succeeds the function of such agency

26 2 Consent to Jurisdiction For all claims, controversies or disputes, You and Franchisor irrevocably submit to the exclusive jurisdiction of the Federal Arbitration Act (9 U S C § 1 et seq), and of the federal and state courts of general jurisdiction in the county or city in which Franchisor's (or its successor's or assign's) home office is located at the time (currently, Fairfield County, Connecticut, and Stamford, Connecticut) You and Franchisor acknowledge that each party's agreement regarding applicable state law and choice of forum set forth in Section 26 1 and this Section 26 2 provides each of the parties with mutual benefit of uniform interpretation of this Agreement and any dispute rising out of this Agreement or the parties' relationship created by this Agreement You and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for that benefit, and acknowledge that each party's agreement regarding applicable state law and choice of forum has been negotiated for in good faith and is a benefit of the bargain reflected by this Agreement Notwithstanding the foregoing, if Franchisor (or its successor or permitted assign) moves its principal office from Stamford, Connecticut, then the exclusive venue and jurisdiction for any litigation or arbitration between the parties shall be the city and state which is nearest Franchisor's (or its successor's or permitted assign's) home office at the time the claim is filed

26 3 Arbitration Except as otherwise specified in this Agreement, the parties agree that any dispute or disagreement between them, or any claim by one or more of them, concerning this Agreement, any related agreement, the Franchised Business, or the franchise granted under this Agreement, shall be resolved by binding arbitration, initiated at and supervised by the American Arbitration Association ("AAA") office nearest Franchisor's (or its successor's or assign's) home office at the time, unless agreed otherwise by the parties

(a) Arbitration shall be conducted under the then-prevailing commercial arbitration rules of the AAA by 1 arbitrator who shall be selected and agreed upon by the parties Any arbitration hearing shall be conducted on an individual, not a class-wide, basis No arbitration award shall have any preclusionary or collateral estoppel effect in any other arbitration or adjudicatory proceeding Judgment on an arbitration award may be entered in any court of competent jurisdiction, and shall be binding, final and non-appealable

(b) If any dispute or claim cannot be the subject of arbitration, the parties agree that the dispute or claim shall be separated from all other disputes and claims, which other disputes and claims shall first be resolved by arbitration, after which any dispute or claim which cannot be the subject of arbitration shall be brought before any court of general jurisdiction specified in Section 26 2 If the parties are unable to separate out these matters, their allegations and positions on them shall be brought before the arbitrator, who shall rule separately on the matters, and that ruling shall be subject to appropriate judicial review on the petition of a party

(c) Nothing in this Section 26 3 shall prevent either party from obtaining temporary, preliminary or permanent injunctive relief, without bond, from a court or agency of competent jurisdiction against actual or threatened conduct causing loss or damage that can be remedied under usual equity rules

26 4 Limitations Any claim by You or Franchisor concerning this Agreement, any related agreement, the Franchised Business, or the franchise granted under this Agreement, shall be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within 3 years after the date on which You or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim

26 5 Place of Performance The execution of this Agreement and acceptance of the terms by the parties whether in person or by electronic signature occurred at Franchisor's place of business in Stamford, Connecticut The parties anticipate that your performance of certain obligations arising under this Agreement, including the payment of certain monies due to Franchisor, shall occur in Stamford, Connecticut

26 6 Waiver YOU ON ONE HAND, AND FRANCHISOR ON THE OTHER HAND, AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM AGAINST THE OTHER FOR ANY PUNITIVE, EXEMPLARY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES ARISING OUT OF ANY CAUSE (WHETHER THE CAUSE IS BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, THEY SHALL BE LIMITED TO THE RECOVERY OF ANY DIRECT DAMAGES SUSTAINED BY THEM EVEN IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT YOU AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER PARTY

26 7 Multiple Originals This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute the same instrument

26 8 Survival Any obligation of You or Your Principals that contemplates performance after expiration or rightful termination of this Agreement, or after any Transfer, shall be deemed to survive such expiration, rightful termination or Transfer

26 9 Severability Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable Any determination by a court or agency having valid jurisdiction that any portion, section, part, term or provision is invalid shall not impair the operation of, or have any other effect on, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and to be binding on the parties Any portions, sections, parts, terms or provisions of this Agreement determined to be invalid shall be deemed not to be part of this Agreement, and there shall be automatically added

a new portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation

26 10 Joint and Several Obligations Without limiting the obligations individually undertaken by Your Controlling Owners under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by You in this Agreement shall be deemed, jointly and severally, undertaken by You and all of Your Controlling Owners

26 11 Remedies Cumulative All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of, any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or material default or threatened breach, failure or material default of any term, provision or condition of this Agreement or any other agreement between You or Your Affiliates and Franchisor or Franchisor Affiliates The rights and remedies of the parties to this Agreement shall be continuing, and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient, and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time The expiration of this Agreement or the rightful termination of this Agreement by either party shall not discharge or release the other party from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration or rightful termination of this Agreement

26 12 Organizations Each reference in this Agreement to a corporation, partnership or limited liability company shall be deemed to also refer to any other entity or organization similar thereto Each reference in this Agreement to the organizational documents, equity owners, directors and officers of a corporation shall be deemed to refer to the functional equivalents of those organizational documents, equity owners, directors and officers, as applicable, in the case of a corporation, a partnership, a limited liability company, or any other entity or organization similar thereto

26 13 Third -Party Beneficiaries Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer on any Person other than You, Franchisor, Franchisor's officers, directors and personnel, and such of your and Franchisor's successors and assigns as may be contemplated (and, as to You, authorized by Section 20 3), any rights or remedies under or as a result of this Agreement Notwithstanding the foregoing, Serendipity Labs, Inc and any such other Franchisor Affiliate holding any right in any of the Intellectual Property, and such entity's successors and assigns, shall have the full and independent right, at its option and in its discretion, to enforce any term or condition in this Agreement concerning or affecting such Intellectual Property, jointly with Franchisor

26 14 Attorneys' Fees, Expenses and Costs If any arbitration, any action for any dispute or claim which cannot be the subject of arbitration, or any action for injunctive relief, is started concerning this Agreement, any related agreement, the Franchised Business, or the franchise granted under this Agreement, the party which prevails in that arbitration or action shall be entitled to a judgment against the other party for the costs of the arbitration or action, including reasonable attorneys' fees, reasonable expenses of arbitration or litigation, and arbitration or court costs

26 15 Effectiveness This Agreement shall not become effective until signed by authorized officers of You and Franchisor

27 ACKNOWLEDGMENTS

27 1 You acknowledge that You have conducted an independent investigation of the business venture contemplated by this Agreement, and recognize that the success of the business venture involves substantial business risks and will largely depend on your ability Franchisor expressly disclaims making, and You acknowledges that You have not received or relied on, any representation, warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement

Franchisee's Initial(s) _____/_____

27 2 You acknowledge that You have received, read and understand this Agreement and the related Attachments and agreements, and that Franchisor has afforded You sufficient time and opportunity to consult with advisors selected by You about the potential benefits and risks of entering into this Agreement

Franchisee's Initial(s) _____/_____

27 3 You acknowledge that You received a complete copy of this Agreement and all related Attachments and agreements at least 7 calendar days before the date on which You signed this Agreement You further acknowledge that You received Franchisor's Franchise Disclosure Document at least 14 calendar days and 10 Business Days before the date on which You signed this Agreement

Franchisee's Initial(s) _____/_____

27 4 You acknowledge that complete and detailed uniformity among SERENDIPITY LABS system franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that Franchisor, in its discretion, may reasonably modify or vary aspects of the System as to any SERENDIPITY LABS system franchisee or group of SERENDIPITY LABS system franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions You are aware that other SERENDIPITY LABS system franchisees may operate under different agreements and, consequently, that Franchisor's obligations and rights as to those franchisees may differ materially in certain circumstances

Franchisee's Initial(s) _____/____

27 5 You have represented to Franchisor that neither You, nor Your Affiliates, nor Your Principals, nor Your Owners, have been designated as suspected terrorists as set forth on the list of Specially Designated Nationals as promulgated by the Office for Asset Control under the U S Department of Treasury

Franchisee's Initial(s) _____/_____

{Signatures on next page}

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized representative

FRANCHISOR

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name ~~{Franchisor Signatory}~~**John P. Arenas**

Title ~~{Franchisor Signatory Title}~~**President**

FRANCHISEE

{FRANCHISEE NAME}

By _____

Name {Franchisee Signatory}

Title {Franchisee Signatory Title}

RIDER TO FRANCHISE AGREEMENT FOR USE IN CALIFORNIA

This Rider to the Franchise Agreement between Franchisor and {Franchisee Name} is agreed to as of {Effective Date}

1 Section 7 1 is amended to include the following

The California Department of Business Oversight requires Franchisor to defer payment of the Initial Franchise Fee and other initial payments due to Franchisor until it has performed all its pre-opening obligations Your Initial Franchise Fee and other initial payments to Franchisor will be due when You have completed initial training and open the Franchised Business

2 In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§31000-31516, and the California Franchise Relations Act, Cal Bus and Prof Code §§20000-20043, the Franchise Agreement is amended as follows

- Section 10 2 and 24 7, and Attachment 5, contain covenants not to compete that extend beyond the expiration or termination of the Franchise These provisions may not be enforceable under California law

- The California Franchise Relations Act provides rights to You concerning termination or non-renewal of the Franchise, which may supersede provisions in the Franchise Agreement

- Sections 23 1 provides for termination of the Franchise upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C Section 101, *et seq*)

- Section 26 1 requires the application of the laws of the state of Connecticut This provision may not be enforceable under California law

- Section 26 3 requires binding arbitration The arbitration will occur at the offices of the American Arbitration Association nearest our home office, with the cost being borne by the party which does not prevail You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Bus and Prof Code §20040 5, Code of Civil Procedure §1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the state of California.

3 To the extent this Rider is deemed to be inconsistent with any terms of the Franchise Agreement (including its attachments), the terms of this Rider will govern

IN WITNESS WHEREOF, each undersigned party hereby acknowledges having read this Rider, and understands and consents to be bound by all of its terms

FRANCHISOR.

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name {Franchisor Signatory}
Title {Franchisor Signatory Title}

FRANCHISEE

{FRANCHISEE NAME}

By _____

Name {Franchisee Signatory}
Title {Franchisee Signatory Title}

ATTACHMENT 1

Basic Information

EFFECTIVE DATE	{Effective Date}
EXPIRATION DATE	The later of (a) the date that is the 10-year anniversary of the Effective Date, or (b) the expiration date of the initial term of any lease for the site of the Franchised Business that has been executed in compliance with Section 4 4
FRANCHISOR	Serendipity Labs Franchise International, LLC 700 Canal Street Stamford, Connecticut 06902 Telephone (855) 801-7757 Email john@serendipitylabs com Attention John P Arenas
YOU	{Franchisee Name} {Franchisee Street} {Franchisee City} Telephone {Franchisee Telephone} Email {Franchisee Email} Attention {Franchisee Signatory}
ASSIGNED AREA	{Assigned Area}
PROTECTED TERRITORY	{Protected Territory}
LOCATION	{Location}
~~**TYPE OF LAB**~~	~~{Standard or Hub}~~
INITIAL FRANCHISE FEE	~~$50,000,~~ **$75,000,** payable on the execution of this Agreement (Franchisor acknowledges receipt of {Deposit} received from Franchisee, which shall be credited against such ~~$50,000)~~ **75,000)**
CONTINUING SERVICES FEE	6% of Gross Revenue, subject to a minimum of $1,500 per month
OASIS SERVICE DELIVERY PLATFORM	

SUPPORT FEE	One-time ~~OASIS setup fee ($10,000 for Standard Lab or $15,000 for Hub Lab), plus $100 per user~~**$15,000 OASIS Setup Fee**, payable within 10 Business Days after activation~~,~~, plus $~~1,250~~**1,000** per month (which **$1,000** amount may be increased on 30 days' written notice ~~as~~**based on expansions of** platform services ~~are expanded~~**or increases in third-party charges, subject to a 3%-per-calendar year cap on increases**)
SOFTWARE TECHNICAL SUPPORT FEE	Office 365-currently $60 per month (for 3-user minimum), Salesforce-currently $125-$250 per month (for 1 or 2 users), MOSO-currently $99 per month (for 1 Location), Network printing-currently $25 per month (~~which amounts~~**these fees** are based on ~~charges by third party suppliers, and which amounts may increase on 30 days' notice to the extent that the charges by the third party suppliers increase)~~ **third-party charges)**
WEBSITE UPLOAD FEE	**Currently** $250 fee for each content upload (which amount may increase on 30 days' written notice~~)~~ **based on increases in third-party charges, subject to a 3%-per-calendar-year cap on increases), except that this fee shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement.**
TRAINING FEE	Currently $225 per day per individual, beyond 3 individuals (initial training involves 6 days of training at corporate and 2 days of training at the Location) **, except that this fee shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement**
RESERVATION SYSTEM BOOKING TRANSACTION FEE	Currently $5 per transaction **(which amount may increase on 30 days' written notice based on increases in third-party charges, subject to a 3%-per-calendar-year cap on increases)**, plus applicable credit card processing charges **, except that this fee shall not be payable if Franchisor or a Franchisor Affiliate is managing the Franchised Business under a management agreement**
TRANSFER FEE	10% of the Initial Franchise Fee due under Franchisor's then-current form of franchise agreement, payable as of the date of Transfer

ATTACHMENT 2

Undertaking and Guaranty

Each of the undersigned acknowledges and agrees, as of {Effective Date}, as follows

(1) Each has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Undertaking and Guaranty and the undertakings of Your Controlling Owners in the Franchise Agreement are in partial consideration for, and a condition to, the granting of the franchise, and that Franchisor would not have granted the franchise without the execution of this Undertaking and Guaranty and the other undertakings by each of the undersigned,

(2) Each is included in the term "Your Controlling Owners,"

(3) Each individually, jointly, and severally, makes all of the covenants, representations, warranties and agreements of Your Controlling Owners set forth in the Franchise Agreement and is obligated to perform thereunder, and

(4) Each individually, jointly and severally, unconditionally, and irrevocably guarantees to Franchisor and its successors and assigns that all of the franchisee's obligations under the Franchise Agreement will be punctually paid and performed On default by the franchisee or on notice from Franchisor, each will immediately make each payment and perform each obligation required of You under the Franchise Agreement Without affecting the obligations of any of Your Controlling Owners under this Guaranty, Franchisor may, without notice to Your Controlling Owners, waive, renew, extend, modify, amend, or release any indebtedness or obligation of You or settle, adjust, or compromise any claims that Franchisor may have against You Each of Your Controlling Owners waives all demands and notices of every kind with respect to the enforcement of this Undertaking and Guaranty, including notices of presentment, demand for payment or performance by You, any default by You or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of You Franchisor may pursue its rights against any of Your Controlling Owners without first exhausting its remedies against You and without joining any other guarantor and no delay on the part of Franchisor in the exercise of any right or remedy will operate as a waiver of the right or remedy, and no single or partial exercise by Franchisor of any right or remedy will preclude the further exercise of that or any other right or remedy On receipt by Franchisor of notice of the death of any of Your Controlling Owners, the estate of the deceased will be bound by the foregoing Undertaking and Guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in that event, the obligations of the remaining of Your Controlling Owners will continue in full force and effect

ATTEST	YOUR CONTROLLING OWNERS
_____	_____
Witness	Name {Guarantor Name}
_____	_____
Witness	Name {Guarantor Name}
_____	_____
Witness	Name {Guarantor Name}
_____	_____
Witness	Name {Guarantor Name}

ATTACHMENT 3

Statement of Ownership Interests and Your Principals

A The following is a list of stockholders, partners or other investors in You, including all investors who own or hold a direct or indirect interest in You, as of the Effective Date, and a description of the nature of their interest

Name	Percentage of Ownership/Nature of Interest
{Owner Name}	{Owner Percentage}
{Owner Name}	{Owner Percentage}

B The following are "Your Principals" under the Franchise Agreement, as of the Effective Date, each of whom shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment 5 (see Section 10 of the Franchise Agreement)

Name
{Principal Name}
{Principal Name}

ATTACHMENT 4

Lease Rider

This Lease Rider is made and entered into this ____ day of _____, 20__ by and between Serendipity Labs Franchise International, LLC ("Franchisor"), {Franchisee Name} ("Franchisee"), and {Landlord Name} ("Landlord")

WHEREAS, Franchisor and Franchisee are parties to a certain Franchise Agreement dated {Effective Date} (the "Franchise Agreement"),

WHEREAS, Franchisee and Landlord desire to enter into a lease (the "Lease") pursuant to which Franchisee will occupy the premises at {Location} ("Leased Premises") for the operation of a SERENDIPITY LABS Business (the "Franchised Business") licensed under the Franchise Agreement, and

WHEREAS, as a condition to entering into the Lease, Franchisee is required under the Franchise Agreement to execute this Lease Rider along with the Landlord and Franchisor,

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein and in the Franchise Agreement, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows

1 During the term of the Franchise Agreement, the Leased Premises will be used only for the operation of the Franchised Business

2 Landlord consents to Franchisee's use of such Marks ("Marks") and proposed signs, interior and exterior decor, furnishings, fixtures, items, color schemes, plans, specifications and related components of the System (as required by the Franchise Agreement and as Franchisor may prescribe for the Franchised Business)

3 Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease and the Leased Premises at the same time that such letters and notices are sent to Franchisee

4 Franchisor will have the right to enter the Leased Premises, at any time, to make any modification or alteration necessary to protect the System and the Marks, pursuant to an order of a court with applicable jurisdiction, without being guilty of trespass or any other crime or tort, and the Landlord will not be responsible for any expense or damages arising from Franchisor' action in connection therewith

5 In the event of Franchisee's material default of the terms of the Lease, Landlord shall promptly deliver notice of such material default to Franchisee and Franchisor, and shall offer Franchisor the opportunity to cure the material default and to assume the lease in Franchisor' name at such time as Landlord gains rightful control of the Leased Premises If Franchisor elects to cure the material default and assume the Lease, Franchisor, within 10 Business Days after its receipt of notice from Landlord, shall notify Landlord of its intent to cure such material default and to assume the Lease If Franchisor elects to cure the material default, it shall cure the material default within 30 days after such election or, if the material default cannot be reasonably cured within such 30 day period, then Franchisor will commence and proceed to cure the material default within such time as is reasonably necessary to cure the material default If Franchisor elects to assume the Lease,

Landlord agrees to recognize Franchisor as the Tenant under the Lease and Franchisee will no longer have any rights thereunder

6 Franchisee will be permitted to assign the Lease to Franchisor or an affiliate of Franchisor on the expiration or rightful termination of the Franchise Agreement, and the Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the Lease in connection with such assignment, or require Franchisor to pay any past due rent or other financial obligation of Franchisee to Landlord, it being understood that Landlord will look solely to the Franchisee for any rents or other financial obligations owed to Landlord prior to such assignment Landlord and Franchisee acknowledge that Franchisor is not a party to the Lease and will have no liability under the Lease, unless and until the Lease is assigned to, or assumed by, Franchisor

7 Except for Franchisee's obligations to Landlord for rents and other financial obligations accrued prior to the assignment of the Lease, in the event of such assignment, Franchisor or any affiliate designated by Franchisor will agree to assume from the date of assignment all obligations of Franchisee remaining under the Lease, and in such event Franchisor or any affiliate will assume Franchisee's occupancy rights, and the right to sublease the Leased Premises consistent with Franchisee's sublease rights, for the remainder of the term of the Lease

8 Notwithstanding anything contained in this Lease, Franchisor is expressly authorized, without the consent of the Landlord, to assign the Lease, or to sublet all or a portion of Leased Premises, to an authorized franchisee of Franchisor If Franchisor elects to assign the Lease, the subtenant/franchisee shall expressly assume all of Franchisor' s obligations under the Lease, and Franchisor, if subtenant/franchisee is approved by Landlord, shall be released of all obligations to Landlord under the Lease as of the date of assignment, except as to any portion of the Leased Premised that is not subleased If Franchisor elects to sublet the premises, such subletting shall be subject to the terms of this Lease, and the subtenant/franchisee shall expressly assume all of Franchisor' obligations under the Lease

9 During the term of the Franchise Agreement, Franchisee will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor

10 Neither Landlord nor Franchisee shall amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor

11 The terms of this Lease Rider will supersede any conflicting terms of the Lease

{Signatures on next page}

IN WITNESS WHEREOF, the parties have executed this Lease Rider as of the date first above written

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name ~~{Franchisor Signatory}~~ **John P. Arenas**

Title ~~{Franchisor Signatory Title}~~ **President**

{FRANCHISEE NAME}

By _____

Name {Franchisee Signatory}

Title {Franchisee Signatory Title}

{LANDLORD NAME}

By _____

Name {Landlord Signatory}

Title {Landlord Signatory Title}

ATTACHMENT 5

Confidentiality Agreement and Ancillary Covenants Not To Compete

This Agreement is made and entered into as of {Effective Date}, among Serendipity Labs Franchise International, LLC ("Franchisor"), {Franchisee Name} ("Franchisee"), and {Covenantor Name} ("Covenantor").

RECITALS

WHEREAS, Franchisor or its affiliate, as a result of the expenditure of time, skill, effort and money, has developed and owns a system ("System") for establishing and operating a SERENDIPITY LABS Business ("Franchised Business") offering Membership Plans, Business Services and other office support services

WHEREAS, the Franchised Business operates under the trademark "SERENDIPITY LABS" and such other trademarks, trade names, service marks, logos, emblems, trade dress, and other indicia of origin which Franchisor has designated, or may in the future designate, for use in connection with the System (the "Marks")

WHEREAS, the System includes the distinctive business format and methods for operating facilities The System also includes Franchisor's methods, techniques, specifications, policies, procedures and other standards that relate to the operation of a SERENDIPITY LABS Business, the training, assistance and support that may be offered by Franchisor designees, the quality and integrity of products and services offered at SERENDIPITY LABS Businesses, and Franchisor's advertising and marketing programs

WHEREAS, the System also includes certain information, knowledge, know-how, techniques, and materials used in or related to the System, including Franchisor's confidential Manuals, the Marks, the Patents, the Copyrighted Works, and other intellectual property, software, information about Clients and prospective Clients, plans and specifications, marketing information, materials and strategies, site evaluation and selection guidelines and techniques and other information (the "Confidential Information")

WHEREAS, "Confidential Information" does not include (i) information that is already in, or after disclosure comes into, the public domain (other than information that is in the public domain due to Franchisee's or Covenantor's breach of this Agreement or other agreements involving Franchisor, Franchisor Affiliates, Franchisee or Covenantor), (ii) information that was independently developed by Franchisee or Covenantor, (iii) information that was already in Franchisee's or Covenantor's possession without obligation of confidentiality at the time of disclosure by Franchisor, or (iv) information that is obtained by Franchisee or Covenantor from any third party without obligation of confidentiality

WHEREAS, the Marks and Confidential Information provide economic advantages to Franchisor and Franchisee, and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's and Franchisee's competitors who could obtain economic value from knowledge and use of the Marks and Confidential Information

WHEREAS, Franchisor and Franchisee have taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Confidential Information

WHEREAS, Franchisor has granted Franchisee the right to operate a SERENDIPITY LABS Business using the System and the Confidential Information, under a franchise agreement made and entered into as of {Effective Date} ("Franchise Agreement"), by and between Franchisor and Franchisee

WHEREAS, it will be necessary for Covenantor to have access to and to use some or all of the Confidential Information in the management and operation of Franchisee's business using the System

WHEREAS, Franchisee has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and the System against unfair competition

WHEREAS, Covenantor wishes to remain, or wishes to become, employed or engaged by Franchisee

WHEREAS, Covenantor wishes and needs to receive and use the Confidential Information in the course of his or her employment or engagement in order to effectively perform his or her services for Franchisee

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein

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

Confidentiality Agreement

1 Franchisor and/or Franchisee will disclose to Covenantor, as necessary, some or all of the Confidential Information relating to the System All information and materials, including, without limitation, any Manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Franchisee or Covenantor, or which Franchisee provides to Covenantor, will be deemed Confidential Information for the purposes of this Agreement

2 Covenantor will receive the Confidential Information in confidence and will, at all times, maintain them in confidence, and use them only in the course of his or her employment by or engagement by Franchisee and then only in connection with the development and/or operation by Franchisee of a Location for so long as Franchisee is licensed by Franchisor to use the System

3 Covenantor will not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission

4 Covenantor will not at any time disclose or permit the disclosure of the Confidential Information except to other personnel of Franchisee or any of Franchisee's affiliates, and only to the limited extent necessary to train or assist other personnel of Franchisee or any of Franchisee's affiliates in the development or operation of a Location

5 Covenantor will surrender any material containing some or all of the Confidential Information to Franchisor or Franchisee, on request by Franchisor or Franchisee, or on termination of employment or engagement by Franchisee, or on conclusion of the use for which such information or material may have been furnished to Covenantor

6 Covenantor will not at any time, directly or indirectly, do any act or omit to do any act that could or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System

7 All Manuals are loaned by Franchisor to Franchisee for limited purposes only, remain the property of Franchisor, and may not be reproduced by Covenantor, in whole or in part, without Franchisor' written consent

Covenants Not to Compete

1 In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants, during the term of the Franchise Agreement, and during Covenantor's employment or engagement by Franchisee, as follows

a Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or Client of the Franchised Business to any competitor

b (i) Not to employ or engage any person who is at the time (or has been within the preceding 12 months) employed or engaged by Franchisor or any of its affiliates, or by any Franchisee or developer of Franchisor, at any business that is of a character and concept similar to the Franchised Business, and (ii) not to knowingly, directly or indirectly, induce any person who is at the time employed or engaged by Franchisor or any of its affiliates, or by any Franchisee or developer of Franchisor, to leave such employment or engagement, except as may occur in connection with Franchisee's employment or engagement of such person if permitted under the Franchise Agreement

c Except with respect to the Franchised Business described in the Franchise Agreement and other SERENDIPITY LABS Businesses operated under franchise agreements between Franchisee or any of its affiliates, and Franchisor or any of its affiliates, not to directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with any person or entity, without the prior written consent of Franchisor, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business that is of a character and concept similar to the Franchised Business, and which business is located within the United States or its territories, or within any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks This provision does not apply to the direct or indirect ownership of shares representing less than 1% of any entity that is publicly traded on any securities exchange

2 In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the uniqueness of the System, Covenantor agrees and covenants that for continuous uninterrupted period of 2 years following the earlier of the expiration or termination of the Franchise Agreement, the Transfer of all of Franchisee's interest in the Franchise Agreement, or the termination of his or her employment or engagement by Franchisee, Covenantor will not without the prior written consent of Franchisor

a Divert, or attempt to divert, directly or indirectly, any business, business opportunity or Client of the Location to any competitor

b (i) Employ or engage any person who is at the time (or has been within the preceding 12 months) employed or engaged by Franchisor or any of its affiliates, or by any Franchisee or developer of Franchisor, at any business that is of a character and concept similar to the Franchised Business, or (ii) knowingly, directly or indirectly, induce any person who is at the time employed or engaged by Franchisor or any of its affiliates, or by any Franchisee or developer of Franchisor, to leave such employment or engagement

c Except with respect to other SERENDIPITY LABS Businesses operated under franchise agreements between Franchisee or any of its affiliates, and Franchisor or any of its affiliates, directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business that is of a character and concept similar to a SERENDIPITY LABS Business, and which business is, or is intended to be, located within the "Protected Territory" (as such term is defined in the Franchise Agreement and as described in the map attached thereto), or within a 25-mile radius of the location of any SERENDIPITY LABS Business (or where land has been purchased or a lease executed for the construction of a SERENDIPITY LABS Business) as of the earlier of (i) the expiration or termination of, or the Transfer of all of Franchisee's interest in, the Franchise Agreement, or (ii) the time Covenantor ceases to be employed or engaged by Franchisee, as applicable This provision does not apply to the direct or indirect ownership of shares representing less than 1% of any entity that is publicly traded on any securities exchange

d If the non-competition covenants in the Franchise Agreement are of no further force and effect due to other provisions in the Franchise Agreement, the non-competition covenants in this Agreement shall be of no further force and effect

COVENANTOR WHO IS "PRINCIPAL" OF FRANCHISEE UNDER FRANCHISE AGREEMENT

1 If Covenantor is a Principal of Franchisee under the Franchise Agreement (see definition of "Your Principals" in Section 1 1 of the Franchise Agreement), Covenantor agrees to comply with the terms and conditions in Sections 10 and 24 of the Franchise Agreement

Miscellaneous

1 Franchisee will use commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement

2 Covenantor agrees that in the event of a breach of this Agreement, Franchisor and/or Franchisee would be irreparably injured and be without an adequate remedy at law Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor and/or Franchisee will be entitled to enforce the provisions of this Agreement and will be entitled, in addition to any other remedies which are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security Covenantor agrees that any claim he or she may have against

Franchisee or Franchisor, whether or not related to the Franchised Business, will not be a defense to the enforcement by Franchisor or Franchisee of any term of this Agreement

3 Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement

4 Any failure by Franchisor or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor will not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor

5 This Agreement will be governed by the laws of the state in which Franchisor's principal business office is located on the date of the execution of this Agreement

6 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographic area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor and Franchisee The parties agree that each of the foregoing covenants will 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 any unappealed final decision to which Franchisor or Franchisee is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement

7 This Agreement contains the entire agreement of the parties regarding the subject matter hereof This Agreement may be modified only by a duly authorized writing executed by all parties This Agreement does not supersede any confidentiality or non-competition agreement that Covenantor may execute in connection with Covenantor's employment or engagement by Franchisee

8 All notices and demands required to be given hereunder will be in writing, and will be sent by personal delivery, expedited delivery service or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties

If directed to Franchisor, the notice will be addressed to

Serendipity Labs Franchise International, LLC
700 Canal Street,
Stamford, Connecticut 06902
Attention John P Arenas
Telephone (855) 801-7757
Email john@~~serendipitylabs~~**serendipitylabs** com

If directed to Franchisee, the notice will be addressed to

{Franchisee Name}
{Franchisee Street}
{Franchisee City}
Attention {Franchisee Signatory}
Telephone {Franchisee Telephone}

Email {Franchisee Email}

If directed to Covenantor, the notice will be addressed to

{Covenanter Name}
{Covenanter Street}
{Covenanter City}
Attention {Covenanter Name}
Telephone {Covenanter Telephone}
Email {Covenanter Email}

Any notices or demands sent by personal delivery will be deemed given on receipt Any notices or demands sent by expedited delivery service will be deemed given on the next Business Day Any notices or demands sent by certified mail will be deemed given 5 Business Days after the time of mailing Any change in the foregoing addresses will be effected by giving 10 Business Days' written notice of such change to the other parties "Business Days" for the purpose of this Agreement exclude Saturdays, Sundays and the following national holidays New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas

9 The rights and remedies of Franchisor and Franchisee under this Agreement are fully assignable and transferable, and will inure to the benefit of their respective affiliates, successors and assigns The obligations of Covenantor hereunder may not be assigned by Covenantor without the prior written consent of Franchisor

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below

FRANCHISOR

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name ~~{Franchisor Signatory}~~ **John P. Arenas**

Title ~~{Franchisor Signatory Title}~~ **President**

FRANCHISEE

{FRANCHISEE NAME}

By _____

Name {Franchisee Signatory}

Title {Franchisee Signatory Title}

COVENANTOR

_____

Name {Covenantor Name}

ATTACHMENT 6

Electronic Funds Transfer Authorization

(Applicable only if Franchisor or a Franchisor Affiliate is not managing the Franchised Business under a management agreement)

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC ("FRANCHISOR")

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's ☐ checking account ☐ savings account (select one) indicated below drawn by and payable to the order of Franchisor by Electronic Fund Transfer provided there are sufficient funds in said account to pay the amount on presentation

Depositor agrees that the Depository's rights with respect to each such charge will be the same as if it were a check drawn by the Depository and signed by Depositor Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository will be under no liability whatsoever

Depository Name _____

City _____ State _____ Zip Code _____

Transit/ABA Number _____ Account Number _____

This authority is to remain in full force and effect until Franchisor and Depository have received at least 30 days' written notification from Depositor of its termination to afford Franchisor and Depository a responsible opportunity to act on such request

Depositor (Please Print)

_____

_____

_____

Date Signed

_____

_____

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purpose of setting up Bank and Transit Numbers

ATTACHMENT 7

Conversion Addendum

This Conversion Addendum to the Serendipity Labs Franchise International, LLC Franchise Agreement ("Addendum") is entered into on the date set forth on the signature page of this Addendum, by and between Franchisor and You

RECITALS

A You own and operate an existing facility or facilities that provides clients with Business Services and/or other business support products and services located at _____ _____ ("Existing Business")

B The Existing Business is not currently affiliated with the SERENDIPITY LABS system

C You desire to convert the Existing Business to a SERENDIPITY LABS Business and have entered into a Franchise Agreement ("Agreement") for this purpose

D The parties desire to amend the Agreement to set forth the terms and conditions pursuant to which You will be required to convert the Existing Business to a SERENDIPITY LABS Business

AGREEMENT

In consideration of the mutual undertakings and commitments set forth in this Addendum and the Agreement, and intending to be legally bound, the parties agree as follows

1 Section 1 1 (entitled "Definitions and Rules of Construction") of the Agreement is amended by the addition of the following paragraphs

"Addendum" means this Conversion Addendum

"Conversion Date" means the date on which the Existing Business is deemed Converted

"Conversion Deadline" means the date by which the Existing Business must be Converted to a SERENDIPITY LABS Business, which date is _____

"Conversion Fee" means a $7,500 fee payable by You to Franchisor on the execution of this Addendum

"Converted" means that (i) You have removed all branding and trade dress at the Existing Business (except to the extent that Franchisor has granted written approval of your continued use of such branding and/or trade dress), (ii) You have completed all build out required by Section 4 7 of the Agreement and have acquired and installed all fixtures, furnishings, equipment (including

Computer Systems), decor items, signs, and related items as set forth on Schedule A hereto (iii) your Franchise Manager and Sales Manager have completed the initial training program as set forth in Section 13 1 of the Agreement, (iv) You otherwise have substantially satisfied all of your pre-opening obligations under the Agreement, and (v) Franchisor has otherwise granted You approval to begin operating the Existing Business as a SERENDIPITY LABS Business

"Existing Business" means the business identified in paragraph A of the Recitals to this Addendum

2 The definition of "Accounting Period" set forth in Section 1 1 of the Agreement is amended to reflect that the first day of the first Accounting Period will be on the Conversion Date

3 The definition of "Confidential Information" set forth in Section 1 1 of the Agreement is amended to include all lists, data, records, accounts and other information concerning clients of the Existing Business

5 Section 4 1 of the Agreement (entitled "Site Selection") is deleted in its entirety Section 4 2 of the Agreement (entitled "Location") and Attachment 1 to the Agreement are amended to reflect that the Location is the location of the Existing Business The parties agree that Franchisor's acceptance of the site does not constitute a representation or warranty, express or implied, by Franchisor that a SERENDIPITY LABS Business operated at the site of the Existing Business will be profitable or otherwise will succeed

6 The following provision shall replace Section 4 8 of the Agreement (entitled "Opening") in its entirety

> You shall begin operating the Existing Business as a SERENDIPITY LABS Business no later than on the Conversion Deadline You may not begin operating the Existing Business as a SERENDIPITY LABS Business, however, until the Existing Business has been Converted, in Franchisor's sole determination You recognize that time is of the essence and that your failure to Convert the Existing Business by the Conversion Deadline constitutes a material default of this Agreement

7 The first sentence in Section 7 1 of the Agreement (entitled "Initial Franchise Fee") is amended to delete the requirement to pay the Initial Franchise Fee, and to add a requirement to pay the Conversion Fee, which is fully earned and ~~nonrefundable~~**non-refundable** on execution of the Agreement and this Addendum The second and third sentences in Section 7 1 of the Agreement are deleted

8 Except as otherwise provided in the Agreement or this Addendum, your obligations under Section 8 of the Agreement (entitled "Standards of Operation") shall begin to apply on the Conversion Date

9 The parties acknowledge that You are presently operating, and will, subject to the terms of the Agreement and this Addendum, continue to operate the Existing Business under its

existing trademarks until the Existing Business is Converted Therefore, the parties agree that (a) the restrictive covenants set forth in Section 10 2(a)(iii) of the Agreement shall not become effective until the Conversion Date, provided that You otherwise are in substantial compliance with the Agreement and this Addendum, and (b) the rights to use the Marks, the Patents and the Copyrighted Works (collectively, the Intellectual Property), as set forth in Section 16 of the Agreement, shall not become effective until the Conversion Date Nothing in this paragraph 9 is intended to alter any of the parties other rights or obligations under Sections 10 or 16 of the Agreement

10 Section 11 (entitled "Reservation System") of the Agreement is amended to clarify that You shall not be required, nor allowed, to participate in the Reservation System until the Conversion Date

11 Section 12 (entitled "Corporate Account Program") of the Agreement is amended to clarify that You shall not be required, nor allowed, to participate in any Corporate Account Program until the Conversion Date

12 The following provision replaces Section 23 2(a) and (c) of the Agreement

If You fail to Convert the Existing Business by the Conversion Deadline

13 Notwithstanding anything to the contrary set forth in the Agreement or this Addendum, You agree that You shall not display or otherwise use the Marks in connection with the operation of the Existing Business unless and until the Existing Business is Converted

14 The Agreement shall be amended only in the particulars described above All other provisions of the Agreement not referenced herein shall not be affected by this Addendum The definitions of all terms are set forth in Section 1 1 of the Agreement, as amended by paragraphs 1, 2 and 3 of this Addendum The Agreement, and all exhibits and amendments thereto, are incorporated into this Addendum by reference

IN WITNESS HEREOF, each of the parties has caused this Addendum to be executed by its duly authorized representative on the date(s) indicated below

FRANCHISOR:

SERENDIPITY LABS FRANCHISE
INTERNATIONAL, LLC

Dated _____

By _____
Name ~~{Franchisor Signatory}~~**John P Arenas**
Title ~~{Franchisor Signatory Title}~~**President**

YOU·

{FRANCHISEE NAME}

Dated _____

By _____
Name {Franchisee Signatory}
Title {Franchisee Signatory Title}

ATTACHMENT 8

Terms of Use Agreement

Franchisor, Serendipity Labs Franchise International, LLC ("we"), has developed a secure, password controlled intranet that allows our franchisees and certain of their personnel to view and print our confidential Manuals ("the Manuals"), to access and use our facilities reservation system, to access and use the mandatory operations-related software applications that we specify, to access and use any non-mandatory personnel-related software applications that we offer and that You choose to use, to download approved local advertising and marketing materials, and to communicate with us We call this facility the Franchisor Intranet Following are the terms and conditions of use of the Franchisor Intranet ("Terms of Use") Please read them carefully

When Franchisee ("You") arrived for initial training, we issued a special User ID and two passwords to You By using your User ID and passwords to log onto the Franchisor Intranet the first time, You confirm that You are eligible to access the Franchisor Intranet and You agree to observe and be bound by all these Terms of Use Also, by using any of the Software (defined in Section 1 1 of the Franchise Agreement), You agree to observe and be bound by the terms of use that the proprietor of any Software imposes on the use of its product

Section 1. Introduction

Because the Franchisor Intranet will continually evolve and because we may change, supplement or delete any of its functions, we reserve the right to modify these Terms of Use in the same manner we modify, amend or supplement the Manuals These Terms of Use constitute a part of the Manuals

We provide the Franchisor Intranet "AS-IS" and "AS AVAILABLE" We assume no responsibility for the timeliness, deletion, mis-delivery or failure to store any of your communications or settings

To use the Franchisor Intranet, You must be able to access the World Wide Web, and You must pay any Internet access fees associated with your access You must also provide all equipment necessary to connect to the World Wide Web, including a computer and modem or other access device

Section 2: Passwords and Security

You received your User ID, a level 1 password and a level 2 password from our system administrator, and You will be required to change your passwords periodically Because anyone who uses your User ID and level 2 password gains access to the Manuals, to the Reservation System (defined in Section 1 1 of the Franchise Agreement), to operations-related Software and templates, and to other confidential information, You must take care to maintain the confidentiality of your passwords and User ID

Your User ID and passwords are unique to You Neither You nor your personnel may use another person's User ID and passwords to access the Franchisor Intranet or allow another person to use

their User IDs or passwords You should memorize your User ID and passwords If You need to write them down, do not record or store your User ID at the same place You record or store your passwords You are responsible for maintaining the confidentiality of your User ID and passwords, and You are responsible for all activities that occur under your User ID and passwords You are also responsible for the use your personnel make of their User IDs and passwords

You agree (a) to notify our system administrator promptly of any unauthorized use of your User ID or passwords, or any other breach of security that comes to your attention, and (b) to log out of your Franchisor Intranet account at the end of each session

We cannot and will not be liable for any loss or damage arising from your failure to substantially comply with the requirements stated in this Section 2

Section 3: Privacy and Data Collection

We will record your User ID and passwords when we issue them to You and when You change your passwords We record each instance that your User ID and password are used to access the Franchisor Intranet We may also record when and the number of instances that You access certain information on the Franchisor Intranet, such as when You open an update to the Manuals or the number of instances and how often You access the Manuals We will use this information to ensure that You are keeping up with changes in the System (as defined in Section 1 1 of the Franchise Agreement) and are otherwise using the Franchisor Intranet appropriately

Section 4. Confidentiality of Certain Information

You agree that the Manuals and all other information we make accessible to You through the Franchisor Internet constitute Confidential Information, as defined in your Agreement, and that You will receives and hold all such information in substantial compliance with Section 10 1 of your Franchise Agreement

Further, You agree not to attempt to access the databases in which Franchisor stores User Content (defined in Section 5), particularly information concerning facilities reservations or financial data that other franchisees submit

Section 5: Conduct

As a condition of your continuing use of the Franchisor Intranet, You promise that You will not use the Franchisor Intranet for any purpose that is unlawful or prohibited by these Terms of Use We provide the Franchisor Intranet to franchisees and their personnel only for exchanges of information and other uses directly related to the System (as defined in Section 1 1 of the Franchise Agreement) You may use the Franchisor Intranet only for purposes related to the operation of your franchise and not for personal or unrelated business use Any unauthorized use of the Franchisor Intranet is expressly prohibited, and we reserve the right delete inappropriate material and to suspend the account of any person who uses the Franchisor Intranet for an unauthorized purpose

You should understand that all messages, data, text, photographs, graphics, video and other materials or information transmitted via the Franchisor Intranet (except information that we post), whether posted for general viewing or transmitted privately ("User Content"), are the sole responsibility of the person from which an item of User Content originated If You upload, post, email or otherwise transmit any User Content, You are responsible for its substantial compliance with these Terms of Use We do not screen, edit or control User Content, and we do not accept responsibility for its truthfulness, accuracy or suitability Under no circumstances will we be liable in any way for any User Content, including errors or omissions in any User Content, or for any loss or damage of any kind incurred as a result of the use of any User Content posted, emailed or otherwise transmitted via the Franchisor Intranet

You agree not to use the Franchisor Intranet to

1 upload, post, email or otherwise transmit any User Content that is unlawful, harmful, threatening, abusive, harassing, tortious, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise offensive,

2 impersonate any person or entity,

3 disguise the authorship or origin of any User Content You transmit,

4 upload, post, email or otherwise transmit any User Content that You do not have a right to transmit under any law or under contractual or fiduciary relationships (such as inside information, proprietary information and confidential information),

5 upload, post, email or otherwise transmit any User Content that infringes any patent, trademark, trade secret, copyright or other proprietary rights of any person,

6 upload, post, email or otherwise transmit any unsolicited or unauthorized advertising, promotional materials, "junk mail," "spam," "chain letters," or any other form of solicitation,

7 upload, post, email or otherwise transmit any material that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment,

8 disrupt the normal flow of dialogue, cause a screen to "scroll" faster than normal, or otherwise act in a manner that negatively affects other users' ability to engage in orderly exchanges,

9 interfere with or disrupt servers or networks connected to the Franchisor Intranet,

10 "stalk" or otherwise harass another, or

11 collect or store personal data about other users

We reserve the right, in our discretion, to block or remove any objectionable User Content that You transmit available via the Franchisor Intranet Without limiting the breadth of our right, You are advised that we have the right to remove any User Content that violates these Terms of Use, your Agreement or is otherwise objectionable (in our determination)

We store and preserve User Content in accordance with established policy and may disclose it if required by law or in the good faith belief that such disclosure is reasonably necessary (a) to substantially comply with legal process, (b) to enforce these Terms of Use, (c) to respond to claims that any User Content violates the rights of third-parties, or (d) to protect the rights, property and personal safety of Franchisor, its personnel and its franchisees

We may transmit and store your User Content over various networks, computer servers and other technological means, and we may modify your User Content to conform and adapt it to technical requirements of connecting networks or devices

We may immediately suspend or terminate the rights of any User ID that we believe, in our discretion, is being used to disseminate spam or other unsolicited bulk email ~~In addition, because damages are difficult to quantify, You agree to pay us liquidated damages of $5 for each piece of spam or unsolicited bulk email transmitted under or otherwise associated with your User ID~~

Section 6. Ownership of User Content

Any User Content that You transmit via the Franchisor Intranet shall be our property, and we may reproduce, distribute, transmit, publish, sell or otherwise commercially exploit any such User Content in any manner or through any medium we choose, subject to substantial compliance with the privacy policy stated in Section 3

Section 7 Indemnity

You agree to indemnify and hold harmless us, and our subsidiaries, affiliates, officers, directors, agents and employees, for any claim or demand, including any claim for reasonable attorneys' fees, made by any third party with respect to or arising out of User Content that You submit, post to or transmit through the Franchisor Intranet, your use of the Franchisor Intranet, your violation of these Terms of Service, or your violation of any rights of another

We agree to indemnify and hold harmless You, and your affiliates, officers, directors, agents and employees, for any claim or demand, including any claim for reasonable attorneys' fees, made by any third party with respect to or arising out of content that we submit, post to or transmit through the Franchisor Intranet, our use of the Franchisor Intranet, or our violation of any rights of another

Section 8: Use and Storage

We may establish general practices and limits concerning use of the Franchisor Intranet, including the maximum number of days that email messages, message board postings or other uploaded User Content will be retained on or by the Franchisor Intranet, the maximum size of any email message that may be sent from or received by an account, the maximum disk space that will be allotted on our servers on your behalf, and the maximum number of times (and the maximum duration for which) You may access the Franchisor Intranet in a given period We disclaim any responsibility or liability for the deletion or failure to store any messages and other communications or other User Content maintained or transmitted by the Franchisor Intranet We have the right to change these general practices and limits at any time, in our discretion, with or without notice

Section 9: Modifications to Franchisor Intranet

We reserve the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Franchisor Intranet (or any of its features), with or without notice You agree that we shall not be liable to You or to any third party for any modification, suspension or discontinuance of the Franchisor Intranet

Section 10: Termination

We may suspend your passwords, your email account or other use of the Franchisor Intranet, and remove and discard any of your User Content if You violate these Terms of Use in any material respect, or if You fail to pay your Technical Support Fee in accordance with your Agreement and do not make such payment within 10 Business Days after demand by us Any material violation or breach of these Terms of Use by You or your personnel will be deemed a breach of your Agreement If You repeatedly violate these Terms of Use in any material respects, we may terminate your passwords, email account or other use of the Franchisor Intranet and thereafter supply You with paper copies of the Manuals, bulletins and other materials that we are required to provide You under your Agreement We shall not be liable to You or any third-party for any rightful termination or suspension of your access to the Franchisor Intranet

Section 11· Links

The Franchisor Intranet may provide, or third parties (i e , other franchisees) may provide, links to other websites social media or other resources We are not responsible for the availability of such external websites or resources, and we neither endorse nor assume any responsibility for any content, advertising, products, or other materials on or available from such websites or resources We will not be responsible or liable, directly, or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such website or resource

We may link the Franchisor Intranet to the websites of third parties, including, other electronic service providers, affiliates and other providers of goods and services

We may place legal notices, disclaimers, our corporate logos and slogans, advertisements, endorsements, trademarks, and other identifying information on the Franchisor Intranet, all of which we may modify, expand or eliminate at our option All consideration (monetary and non-monetary) received by us on account of the placement or sale of advertisements, endorsements and sponsorships on the Franchisor Intranet will belong only to us

Section 12· Intellectual Property Rights

We grant You a personal, non-transferable and non-exclusive right and license to use the object code of the Software (defined in Section 1 1 of your Franchise Agreement) on your computers You promise not to copy, modify, create a derivative work of, reverse engineer, reverse assemble or otherwise attempt to discover any source code, or to sell, assign, sublicense, grant a security interest in or otherwise transfer any right in the Software, either directly or through your employees or independent contractors You agree not to modify the Software in any manner or form, or to use modified versions of the Software for any purpose, including (without limitation) that of obtaining unauthorized access to the Franchisor Intranet You agree not to access the Franchisor Intranet by any means other than the interface that we provide for use in accessing the Franchisor Intranet

Franchisor is the owner or primary licensee of the Software and Owner Content (defined below) prepared for, or used on, the Franchisor Intranet, and of all intellectual property rights in or to any of them

"Owner Content" means all text, images, sounds, files, videos, designs, animations, layouts, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through the Franchisor Intranet that we post or provide

Section 13: Disclaimer of Warranties

We represent and warrant that (a) we have all right, title and interest in and to the Franchisor Intranet necessary to grant You the right and license to use the Franchisor Intranet as contemplated herein, (b) the Software shall not contain any unauthorized codes (e g viruses, worms, Trojan horses, etc), and (c) we shall use reasonable efforts to minimize unscheduled downtime and prevent unauthorized third-party access to the Franchisor Intranet

YOU EXPRESSLY UNDERSTAND AND AGREE THAT, EXCEPT FOR THE EXPRESS WARRANTIES CONTAINED HEREIN

YOUR USE OF THE FRANCHISOR INTRANET IS AT YOUR SOLE RISK THE FRANCHISOR INTRANET IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WE EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT

WE MAKE NO WARRANTY THAT (i) THE FRANCHISOR INTRANET WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (ii) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE FRANCHISOR INTRANET WILL BE ACCURATE OR RELIABLE, (iii) THE QUALITY OF ANY SERVICES, INFORMATION, OR OTHER MATERIAL YOU OBTAIN THROUGH THE FRANCHISOR INTRANET WILL MEET YOUR EXPECTATIONS, AND (iv) ANY ERRORS IN THE SOFTWARE WILL BE CORRECTED

Section 14. Limitation of Liability

YOU EXPRESSLY UNDERSTAND AND AGREE THAT, TO THE EXTENT OF CLAIMS OF BREACH OF CONTRACT AND BREACH OF WARRANTY, AND EXCEPT WITH RESPECT TO OUR INDEMNIFICATION OBLIGATIONS HEREIN AND IN THE FRANCHISE AGREEMENT, NEITHER WE NOR OUR AFFILIATES, CONTRACTORS, SUPPLIERS OR LICENSORS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM (i) YOUR USE OF OR INABILITY TO USE THE FRANCHISOR INTRANET, (ii) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE FRANCHISOR INTRANET, (iii) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS, DATA OR OTHER USER CONTENT, (iv) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE FRANCHISOR INTRANET, OR (v) ANY OTHER MATTER RELATING TO THE FRANCHISOR INTRANET

Section 15: Notices

Notices to You or us may be made by any manner permitted in your Agreement In addition, the Franchisor Intranet may also provide notices of changes to these Terms of Use or other matters by displaying notices or links to notices to You generally on the Franchisor Intranet

Section 16: General

These Terms of Use and the Franchise Agreement constitute the entire agreement between You and us relating to your use of the Franchisor Intranet and govern your use of the Franchisor Intranet, superseding any prior agreements between You and us You also may be subject to additional terms and conditions that may apply when You use affiliate services, third-party content or third-party software These Terms of Use and the relationship between You and us shall be governed by the laws of the ~~state~~**State** of Connecticut, without regard to its conflict of law provisions Section 25 7 of your Franchise Agreement, the provisions of which are incorporated into these Terms of Use by reference, will apply to and govern the resolutions of all disputes regarding the interpretation or enforcement of these Terms of Use

Our failure to exercise or enforce any right or provision of these Terms of Use shall not constitute a waiver of such right or provision If any provision of these Terms of Use is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of these Terms of Use remain in full force and effect You agree that, regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the Franchisor Intranet or these Terms of Use must be filed within one year after such claim or cause of action arose or be forever barred The Section titles in this Terms of Use Agreement are for convenience only and have no legal or contractual effect

IN WITNESS WHEREOF, the undersigned have entered into this Terms of Use Agreement as witnessed by their signatures below

FRANCHISOR (WE)

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name ~~{Franchisor Signatory}~~**John P. Arenas**

Title ~~{Franchisor Signatory Title}~~**President**

Dated _____

FRANCHISEE (YOU):

{FRANCHISEE NAME}

By _____

Name {Franchisee Signatory}

Title {~~Franchisor~~**Franchisee** Signatory Title}

Dated _____

ATTACHMENT 9

Transfer of Service Consent and Authorization

If my SERENDIPITY LABS Franchise is transferred, terminated, expires or is not renewed for any reason, I hereby irrevocably appoint and designate SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC as my limited attorney-in-fact for the sole purpose of (1) directing any telephone company to change, transfer and/or terminate any and all listed telephone numbers used in conjunction with the Franchised Business or using the Marks, and (2) directing any Internet service provider or comparable Internet authority to change, transfer and/or terminate any email addresses, domain names, social media or other comparable electronic identities relating to the Franchise or use of the Marks I also hereby agree that SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC may execute any legal document on my behalf to carry out the intent of this consent and authorization

FRANCHISEE:

{FRANCHISEE NAME}

By _____
Name {Franchisee Signatory}
Title {Franchisee Signatory Title}
Date _____

FOR USE BY NEW CUSTOMER ONLY

I hereby assume and agree to pay all charges outstanding on the following
telephone number(s)
_____
domain name(s)
_____
email address(es)
_____
social media
platform(s) _____
other electronic
identifier(s) _____

_____
New Customer's Signature

_____
Printed Name of New Customer

ATTACHMENT 10

SBA Addendum to Franchise[1] Agreement

{Note Franchisee may be required to sign this standard form, or the then-current standard form approved by the U S Small Business Administration }

THIS ADDENDUM ("Addendum") is made and entered into on {Date}, by and between Serendipity Labs International, LLC ("Franchisor"), located at 700 Canal Street, Stamford, Connecticut 06902, and {Franchisee Name} (Franchisee"), located at {Address}

Franchisor and Franchisee entered into a Franchise Agreement on {Effective Date} (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 franchise 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 franchise 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 franchise 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 ~~{Franchisor Signatory}~~**John P. Arenas**

Title ~~{Franchisor Signatory Title}~~**President**

Authorized Representative of FRANCHISEE:

By _____

Print Name {Franchisee Signatory}

Title {Franchisee Signatory 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 C

DEVELOPMENT AGREEMENT, STATE RIDER AND ATTACHMENTS

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

DEVELOPMENT AGREEMENT

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RIDER TO DEVELOPMENT AGREEMENT FOR USE IN CALIFORNIA

Attachment 1 – Basic Information
Attachment 2 – Undertaking and Guaranty
Attachment 3 – Statement of Ownership Interests and Your Principals
Attachment 4 – Confidentiality Agreement and Ancillary Covenants Not to Compete
Attachment 5 – Development Schedule

DEVELOPMENT AGREEMENT

This Agreement is entered into between Franchisor and You, as of the Effective Date of this Agreement The definitions of these capitalized terms and other capitalized terms used in this Agreement are set forth in Section 1 1

RECITALS

A Franchisor or a Franchisor Affiliate, as the result of the expenditure of time, skill, effort and money, has developed and owns the System, which is identified by the Marks and includes the Intellectual Property

B Franchisor grants development rights to qualified Persons for the right to develop multiple SERENDIPITY LABS® Businesses at specified Locations within Development Areas

C You desire to obtain development rights pursuant to the terms of this Agreement

D You understand and acknowledge the importance of the Standards, and of adhering to the Standards in connection with the development and operation of SERENDIPITY LABS Businesses

E You acknowledge and represent that You have had sufficient time and opportunity to familiarize yourself with the SERENDIPITY LABS Business before signing this Agreement, that You based your decision to enter into this Agreement on such independent investigation, and that You have not received nor relied on any representations made on Franchisor's behalf other than those expressly made in Franchisor's Franchise Disclosure Document previously given to, and reviewed by, You

F You acknowledge that You have had the opportunity to obtain, and that You have obtained, independent legal counsel and financial advice concerning your decision to enter into this Agreement

G You acknowledge that You are an independent contractor and, as such, are solely responsible for the operation and financial performance of the business contemplated by this Agreement

In consideration of the mutual undertakings and commitments set forth in this Agreement, the receipt and sufficiency of which are acknowledged, incorporating the Recitals above and intending to be legally bound, the parties agree as follows

1 DEFINITIONS AND RULES OF CONSTRUCTION

1 1 Definitions In this Agreement, the following capitalized terms have the following meanings

"Agreement" means this Development Agreement

"Authorized Locations" means the locations of the SERENDIPITY LABS Businesses that You will develop under this Agreement

"Business Days" exclude Saturdays, Sundays and the following national holidays New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas

"Business Services" mean any workspace, meeting or event accommodations or services, or any reception, telecommunications, Internet data transmission, videoconferencing or related business support products or services, provided at or from SERENDIPITY LABS Businesses

"Client" means any Person for whom a SERENDIPITY LABS Business provides Business Services

"Competitive Business" means any business that (i) offers workplace, meeting or event accommodations or services, including Membership Plans and/or Business Services, or other products and services similar to, or competitive with, the products and services offered by the Franchised Business, other than pursuant to a SERENDIPITY LABS franchise agreement with Franchisor, and (ii) obtains 25% or more of its annual revenue from such products and services

"Confidential Information" means any and all confidential knowledge, know-how, techniques, materials and other information used in or related to the System, including the Manuals, the Intellectual Property to the extent confidential, the Software, lists, data, records, accounts or other information regarding any Client, prospective Client, or other Person to whom Franchisor, any Franchisor Affiliate or other SERENDIPITY LABS system franchisees provide any products or services, plans and specifications to the extent confidential, marketing information and strategies, site evaluation and selection guidelines and techniques, and other information marked "confidential" at the time of disclosure by Franchisor Confidential Information may be communicated in writing or through other means, including electronic media (*e g*, CD ROM, computer disk, or video or audio tape) Confidential Information does not include (i) information that is already in, or after disclosure comes into, the public domain (other than information that is in the public domain due to your or Your Affiliates' breach of this Agreement or other agreements with Franchisor or Franchisor Affiliates), (ii) information that was independently developed by You, (iii) information that was already in your possession without obligation of confidentiality at the time of disclosure by Franchisor, or (iv) information that is obtained by You from any third party without obligation of confidentiality

"Continuing Services Fee" means the continuing services fee payable under each Franchise Agreement

"Controlling Interest" means possession (through one or more intermediaries) of the power to direct, or cause the direction of, the management or policies of an entity, whether through active voting control, by contract, or otherwise, but in all cases, more than 50% of active voting control in an entity shall constitute a Controlling Interest

"Copyrighted Work" means any tangible medium of expression in which Franchisor or a Franchisor Affiliate has legal copyright protection, including the Manuals, the Software (including source codes and object codes), the Marks (including all trademarks, service marks, logos and other indicia of origin), the Patents (including patented designs), and the Trade Dress

"Corporate Account Agreement" means any agreement that Franchisor or a Franchisor Affiliate has negotiated with a Corporate Account Client

"Corporate Account Client" means a Client who participates in a Corporate Account Program, as outlined in the Manuals, but does not include, as to a particular Franchised Business, a Client for whom the Franchised Business has provided Business Services within the 12-month period prior to execution of the first Corporate Account Agreement with the Client

"Corporate Account Program" means any program developed by Franchisor or a Franchisor Affiliate that may offer to Corporate Account Clients, among other things, discounts, rebates or other incentives

"Development Area" means the area described in Attachment 1

"Development Credit" means the credit set forth in Attachment 1

"Development Fee" means the fee set forth in Attachment 1

"Development Periods" means the time periods into which the Development Schedule has been subdivided The first Development Period begins on the Effective Date, and each subsequent Development Period begins the day after the Final Date of the immediately preceding Development Period

"Development Schedule" means the schedule set forth in Attachment 5

"Effective Date of this Agreement" means the date set forth in Attachment 1

"Execution Deadline" means the date set forth in the Development Schedule reflecting the deadline for execution of a Franchise Agreement

"Expiration Date of this Agreement" means the date set forth in Attachment 1

"Final Date" means the date set forth in the Development Schedule reflecting the last day of a Development Period

"Force Majeure" event means an extraordinary event or act of God (such as a tornado, hurricane, flood, fire or other natural catastrophe), war, riot, labor disturbance, power outage, other civil disturbance, epidemic, other unforeseeable circumstance, or other event beyond your reasonable control, that materially and adversely affects the development or operation of Franchised Businesses by Developer

"Franchise Agreement" means each separately executed Franchise Agreement contemplated under Section 6 1 of this Agreement

"Franchise Disclosure Document," also called an FDD, means the document required to be provided to You under the Federal Trade Commission franchise disclosure rule and any applicable state franchise disclosure law

"Franchised Business" means the business to be operated under a Franchise Agreement

"Developer Indemnitees" means You and Your Affiliates, and their respective successors, officers, directors, shareholders, partners, agents, representatives, independent contractors and employees

"Franchisor" means Serendipity Labs Franchise International, LLC and/or its successors and assigns

"Franchisor Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with, Franchisor

"Franchisor Indemnitees" means Franchisor and Franchisor Affiliates, and their respective successors, officers, directors, shareholders, partners, agents, representatives, independent contractors and employees

"Governing Documents" means all documents and agreements establishing or governing the operation and relationship of the owners of a non-individual Person, whether or not filed with any governmental authority Examples of Governing Documents are the articles of incorporation, bylaws and shareholder agreements of a corporation, the articles of formation, bylaws and member agreements of a limited liability company, and the certificate of partnership, articles of partnership, and partnership agreements of a general or limited partnership

~~"Hub Lab" means a SERENDIPITY LABS Business in a location with 17,500 to 25,000 or more rentable square feet of commercial office or retail space~~

"Initial Franchise Fee" means the Initial Franchise Fee payable under each Franchise Agreement

"Intellectual Property" means the Marks, the Patents, the Copyrighted Works, the Confidential Information, the Trade Dress, and other related intellectual property rights, owned, used, licensed or registered by Franchisor or a Franchisor Affiliate

"Legal Requirements" means all laws, statutes, ordinances, rules, regulations, permits, licenses, authorizations, directions and requirements of any government or regulatory authority that now or hereafter may be applicable to the business contemplated by this Agreement, and to the operation of the Authorized Locations, including those relating to employment, zoning, building, health, safety, environmental and intellectual property rights matters

"Limited Access SERENDIPITY LABS Business" means a SERENDIPITY LABS Business that is located in a special use space with limited public access such as an airport, hotel or office building, and that is accessible only to persons authorized to be in the space such as ticketed travelers, hotel guests or tenants, their personnel and authorized visitors

"Locations" means Authorized Locations identified in executed Franchise Agreements for SERENDIPITY LABS Businesses~~, whether Standard Labs or Hub Labs~~ Locations do not include Other Brand Businesses

"Losses and Expenses" means all compensatory, exemplary, incidental, consequential or punitive damages (including lost profits), all fines, charges, costs or expenses imposed by courts or other governmental authorities or by arbitrators, reasonable attorneys' fees, and all court costs, settlement amounts or judgments relating to litigation or arbitration, compensation for damages to Franchisor's or your reputation and goodwill, costs of or resulting from delays, costs of any necessary corrective advertising material and media time/space, costs of changing, substituting or replacing advertising, and all expenses of recall, refunds, compensation to third parties, public notices and other similar amounts incurred in connection with the matters for which Losses and Expenses are to be paid

"Manuals" means the written manuals containing the Standards and also non-mandatory guidelines and recommendations, and all amendments thereof and other directives that Franchisor may communicate to You electronically, in writing or by any other means

"Marks" means the trademarks, trade names, service marks, logos, emblems, trade dress, and other indicia of origin which Franchisor has designated, or may in the future designate, for use in connection with the System, all of which Franchisor may change, modify, alter or discontinue from time to time On the Effective Date of this Agreement, the Marks include the marks "SERENDIPITY LABS" and "OASIS"®

"Membership Plan" means a membership granting a Client certain rights of access to SERENDIPITY LABS Businesses

"OASIS" means Franchisor's proprietary service delivery platform and related software applications

"Opening Deadline" means the date set forth in Attachment 5 by which each Authorized Location must be open and in operation under an executed Franchise Agreement

"Other Brand Business" means any business that is owned, operated or licensed by Franchisor or a Franchisor Affiliate other than a SERENDIPITY LABS Business, including a business that may offer products and services which are similar to those offered by SERENDIPITY LABS Businesses, and that operates under a different service mark, including a mark that may be similar to or include any of the Marks (for example, "Serendipity Express") Other Brand Businesses may include Competitive Businesses

"Ownership Interest" means any ownership interest of any type, including (a) in relation to a corporation, the ownership of shares in the corporation, (b) in relation to a partnership, the ownership of a general or limited partnership interest, (c) in relation to a limited liability company, the ownership of a membership interest, or (d) in relation to a trust, the ownership of a beneficial interest in such trust

"Patent" means any patent that Franchisor or a Franchisor Affiliate has registered, or for which registration has been applied for, with the U S Patent and Trademark Office or a governmental agency of any other jurisdiction

"Permanent Disability" means any physical, emotional or mental injury, illness or incapacity that prevents a natural Person from performing his or her obligations under this Agreement or under the Undertaking and Guaranty for at least 90 consecutive days, and from which recovery within 90 days from the date of determination of disability is unlikely

"Person" means an individual (and the heirs, executors, administrators or other legal representatives of an individual), a corporation, a partnership, a limited liability company, a trust, a joint venture, a government or any department or agency thereof, or any other incorporated or unincorporated association or organization

"Private SERENDIPITY LABS Business" means a SERENDIPITY LABS Business that is accessible only to personnel and designees of a single Corporate Account Client

"Publicly-Held Company" means a company for which securities (i) have been "publicly offered" or "publicly traded" (as those terms are commonly understood for purposes of state and federal securities laws), or (ii) are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or are otherwise subject to the requirements of Section 15(d) of that Act

"Reservation System" means any reservation system (including all proprietary equipment and software) that Franchisor designates, in its discretion, for use by SERENDIPITY LABS Businesses, as such system may be modified from time to time by Franchisor or a Franchisor Affiliate

"Right of First Refusal" means that Franchisor shall promptly notify You in writing of the opportunity to develop and/or operate a business, and shall provide You with appropriate information and documentation relating to the opportunity (including, for example, any required Franchise Disclosure Document), and You shall have the right, exercisable within 60 days after receipt of such

notification, information and documentation, to execute a then-current form of franchise or other agreement for the development and/or operation of the business, which agreement shall contain revisions that are substantially similar to any revisions to this Agreement that You have negotiated If You decline to exercise a Right of First Refusal or fail to respond within the 60-day period, Franchisor or a Franchisor Affiliate may operate the business, or may enter into an agreement with another Person to operate the business, provided, however, that if another Person is to operate the business, the agreement with the other Person must contain terms that are substantially similar to those offered to You and must be executed within 120 days after the expiration of the 60-day period Otherwise, You must again be offered a Right of First Refusal as to the business

"SERENDIPITY LABS Business" means a facility offering certain products and services prescribed by Franchisor and identified by the Mark "SERENDIPITY LABS" (or such other Mark as Franchisor designates for use in connection with the Franchised Business), that is licensed to use the System SERENDIPITY LABS Businesses do not include Other Brand Businesses

"Software" means all computer programs and computer code (*e g*, HTML, Java) that Franchisor designates or offers for use in connection with a SERENDIPITY LABS Business, including OASIS and other software developed and licensed by Franchisor, a Franchisor Affiliate or a third-party software provider

~~"Standard Lab" means a SERENDIPITY LABS Business in a location with about 12,500 to 17,499 rentable square feet of commercial office or retail space~~

"Standards" means Franchisor's mandatory methods, techniques, specifications, policies and procedures that relate to the operation of a SERENDIPITY LABS Business, including the Standards set forth in this Agreement, and the then-current Standards described in the Manuals or communicated to You electronically, in writing or by any other means

"System" means the business format and methods licensed under this Agreement and the Franchise Agreements, for the development and operation of SERENDIPITY LABS Businesses The System includes the Intellectual Property, the Standards, the training, assistance and support that may be offered by Franchisor or its designees, the quality and uniformity of products and services offered at SERENDIPITY LABS Businesses, and Franchisor's advertising and marketing programs All aspects of the System may be changed, improved and further developed by Franchisor in its discretion from time to time

"Term" is defined in Section 4 1

"Transfer" means either (i) the sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of your interest, or any of Your Owners' respective interests, in this Agreement, or of all or substantially all of the assets of your business related to the development of SERENDIPITY LABS Businesses, or (ii) the sale, assignment, transfer, conveyance, gift, pledge, mortgage or encumbrance of any of Your Owners' respective Ownership Interests in You (if You are an entity rather than a natural Person)

"Transfer Fee" means the fee set forth in Attachment 1

"Undertaking and Guaranty" means the personal undertaking and guaranty of your obligations under this Agreement by each of Your Controlling Owners, jointly and severally, as identified in Attachment 2

"You" means the Developer identified in Attachment 1

"Your Affiliates" mean any entities that control, are controlled by, or are under common control with You, and that have entered into any SERENDIPITY LABS franchise agreements or development agreements with Franchisor or been given access to any Confidential Information As to any of Your Affiliates, common control means that at least one of Your Controlling Owners, or at least a combination of any number of Your Controlling Owners collectively, has a Controlling Interest

"Your Controlling Owners" include only Your Owners who have active voting rights relating to your management

"Your Owners" include the entities or individuals who have Ownership Interests in You

"Your Principals" include personnel who are involved in managing your SERENDIPITY LABS-related business activities and who attend the training programs of Franchisor

1 2 Captions The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference The captions shall not be construed to govern, limit, modify, or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof, nor shall such captions otherwise be given any legal effect

1 3 Non-Limiting Terms In this Agreement, the words "include," "includes," "including" and "such as" are to be construed as if they were immediately followed by the words "without limitation "

1 4 Additional Rules of Construction In this Agreement, unless the context clearly indicates another intention, a reference to

(a) Any gender includes other genders,

(b) The singular includes the plural and vice versa,

(c) The auxiliary verb "may" is permissive, and its negative ("may not") denies permission,

(d) A provision, attachment or party is a reference to a provision of this Agreement, an Attachment to this Agreement or a party to this Agreement, as applicable The Recitals and Attachments form part of this Agreement, and any reference to this Agreement includes the Recitals and Attachments,

(e) Obligations undertaken by more than one Person constitute joint and several obligations,

(f) A statutory provision includes a reference to the statutory provision as modified or re-enacted, or both, from time to time, and any subordinate legislation made under the statutory provision,

(g) A reference to a document is to the document as it may be amended or supplemented from time to time, and

(h) A writing includes emails and similar electronic communications

1 5 Franchisor's Discretion Whenever this Agreement grants Franchisor discretion in deciding or acting, Franchisor shall have the right to exercise reasonable business judgment to

determine the acceptable decision to make or action to take in a given situation, but Franchisor shall not have the right to unreasonably withhold, condition or delay its decision or action Whenever this Agreement requires Franchisor's acceptance, approval or consent, Franchisor shall have the right to grant or deny its acceptance, approval or consent in its discretion, but Franchisor shall not have the right to unreasonably withhold, condition or delay its grant or denial

2 GRANT

2 1 Grant In reliance on the representations and warranties made by You , Franchisor grants to You the right, and You accept the obligation, pursuant to the terms and conditions in this Agreement, to develop and operate the number of Authorized Locations set forth in Attachment 1, in the Development Area, pursuant to the terms and conditions of separately executed Franchise Agreements

2 2 Scope This Agreement is not a Franchise Agreement, and grants You no rights to operate a SERENDIPITY LABS Business or to otherwise use any of the Intellectual Property or any part of the System, except as expressly stated in this Agreement You shall have no right to grant a franchise or sub-franchise, or to otherwise license any other Person any right to use the System or the Marks Neither You nor any of Your Affiliates shall have the right to operate a SERENDIPITY LABS Business or otherwise use the System or the Marks, except as provided above and pursuant to an effective Franchise Agreement executed by the parties according to this Agreement

3 DEVELOPMENT AREA

3 1 Development Area During the Term, and subject to your substantial compliance with this Agreement and any other agreement between You and Your Affiliates and Franchisor or any Franchisor Affiliates, subject to the rights reserved in Section 3 2, neither Franchisor nor any Franchisor Affiliate shall, directly or indirectly, operate or grant a franchise for the operation of another SERENDIPITY LABS Business within the Development Area, except as otherwise provided in Section 3 2(k)

3 2 Reservation of Rights Franchisor reserves for itself all rights within the Development Area not expressly granted to You Specifically, but not exclusively and without limiting the generality of the foregoing, Franchisor and Franchisor Affiliates shall have the right, regardless of the economic impact or competitive effect on any of the Authorized Locations, to

(a) ~~Advertise and promote sales of SERENDIPITY LABS Businesses (generally), at any location, including within the Development Area (b)~~ Establish or operate, or grant others the right to establish and operate, SERENDIPITY LABS Businesses, or any Competitive Businesses, at any sites outside the Development Area on such terms and conditions that Franchisor deems appropriate, and otherwise offer and sell SERENDIPITY LABS products and services outside the Development Area

(~~c~~**b**) Establish or operate, or grant others the right to establish and operate, Private SERENDIPITY LABS Businesses (i) outside the Development Area without offering or granting You any rights in those businesses, or (ii) ~~inside~~**within** the Development Area, subject to giving You the Right of First Refusal to operate ~~those businesses inside~~**any new Private SERENDIPITY LABS Business within** the Development Area, if You and Your Affiliates are in substantial compliance with this Agreement and all other agreements with Franchisor

(~~d~~c) Establish or operate, or grant others the right to establish and operate, Limited Access SERENDIPITY LABS Businesses (i) outside the Development Area without offering or granting You any rights in those businesses, or (ii) ~~inside~~**within** the Development Area, subject to giving You the Right of First Refusal to operate ~~those businesses inside~~**any new Limited Access SERENDIPITY LABS Business within** the Development Area, if You and Your Affiliates are in substantial compliance with this Agreement and all other agreements with Franchisor

(~~e~~d) On the acquisition or merger of Franchisor by or with another entity operating businesses offering similar products and services, continue to offer, operate or grant others the right to establish and operate, through the resulting entity, similar businesses offering similar products and services under different trademarks within or outside the Development Area, subject to offering You the first right to operate any new similar business to be located within the Development Area (as described below), but without offering or granting You any rights as to any businesses then located within the Development Area or as to any businesses then located or to be located outside the Development Area If You are in substantial compliance with your obligations under this Agreement, if the resulting entity offers franchises for the similar business, and if You meet the resulting entity's then-current criteria and qualifications for new franchisees of the similar business, the resulting entity shall offer You the first right to operate any such similar business to be located within the Development Area To exercise this right, You shall sign the resulting entity's then-current form of franchise agreement for each such other business to be located within the Development Area, **as modified by revisions that are substantially similar to any revisions to the SERENDIPITY LABS franchise agreement that You have negotiated,** and shall deliver such signed franchise agreement to the resulting entity, together with payment of the Initial Franchise Fee due under the franchise agreement, within 60 days after the date You receive the resulting entity's then-current Franchise Disclosure Document If You are not in substantial compliance with this Agreement, if the resulting entity does not offer franchises for the similar business, if You do not meet the resulting entity's then-current criteria or qualifications for new franchisees of the similar business, or if the resulting entity offers You the first right to operate and You fail to exercise such right pursuant to the procedures set forth in this Section 3 2(e), (i) the resulting entity or an affiliate of the resulting entity shall have the right to operate any such similar business to be located within the Development Area, or to grant a third party the right to operate any such similar business to be located within the Development Area, without offering You any additional rights or paying You any compensation, and (ii) if the similar business is to be located within the Protected Territory of any Franchised Business operated by You or Your Affiliate, You shall have the right, on 60 days' prior written notice to the Franchisor, to terminate the Franchise and convert that Franchised Business to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If You terminate a Franchise in accordance with the forgoing sentence, Franchisor, You and Your Principals shall have the post-termination obligations and rights specified in this Agreement, including those specified in Sections 9 (as to Confidential Information, but not as to con-competition), 11, 13 5 and 14

(~~f~~e) Operate and conduct, or grant others the right to operate and conduct, Other Brand Businesses (i) outside the Development Area, without offering or granting You any rights in those businesses, or (ii) ~~inside~~**within** the Development Area, subject to giving You the Right of First Refusal to operate any new Other Brand Business to be located within the Development Area if You and Your Affiliates are in substantial compliance with this Agreement and all other agreements with Franchisor

(~~g~~f) Develop, license or franchise other systems, different from the SERENDIPITY LABS system, involving non-competitive products or services under different trademarks, within or outside the Development Area, without offering or granting You any rights under those systems **You acknowledge that a "retail-focused brand" unit (i.e. a business that offers its goods and services solely for sale at retail) which is situated in a "retail environment" (i.e in a shopping center or shopping mall composed of only retail use tenants), which has less than 10,000 total useable sf and less than 1,000 sf of dedicated offices or workstations, shall be deemed to be a unit in a system involving only non-competitive products or services, within the meaning of this Section 3.2(f).**

, ~~(h) Promote, provide, offer~~g) **Advertise** and ~~sell~~**promote**, and grant others the right to **advertise and** promote, provide, ~~offer and sell~~**anywhere in the United States, including within the Development Area**, SERENDIPITY LABS products and services through ~~alternative distribution channels~~**directed communications** (including ~~the Internet and similar electronic media or mail order channels~~**for example, Internet ads, emails, mailings, meetings, and/or telephone calls**), local, national and international media, and/or collective marketing programs, including national **programs** or Corporate Account Programs, subject to You being permitted **to participate**, on **non-discriminatory** terms and conditions that Franchisor ~~deems appropriate, to participate in such channels and/or programs, or to provide products or services directly to any customers~~**establishes in any business** generated ~~by such channels~~ and/or **in such national** programs~~, whether such customers are Clients and whether they are located within or outside the Development Area~~ **or Corporate Account Programs**

(h) Advertise and promote, and grant others the right to advertise and promote, anywhere in the United States, including within the Protected Territory, the sale of SERENDIPITY LABS Businesses and SERENDIPITY LABS franchises generally.

(i) Operate one or more websites on the Internet**,** or ~~operate on any type of~~**participate on one or more** social media **sites,** that advertise SERENDIPITY LABS Businesses, allow Clients and prospective Clients to make reservations at SERENDIPITY LABS Businesses ~~(including the Franchised Businesses), or permit~~**, or promote** other **commercial** activities ~~(whether or not similar)~~, even though the ~~website(s)~~ **websites and/**or social media **sites** are accessible to or viewable by Persons within the Development Area

~~(j) Acquire, locate, construct and operate, or grant others the right to acquire, locate, construct and operate, SERENDIPITY LABS Businesses operating under the Marks, and using the Patents, Copyrights and other elements of the System at any locations outside the Development Area on such terms and conditions that Franchisor deems appropriate (k)~~ Acquire one or more existing facilities within the Development Area offering products and services that are similar to SERENDIPITY LABS products and services (whether or not any of those facilities are within the Protected Territories of any Franchised Businesses operated by You or Your Affiliates, and whether or not such facilities opened before or after such Franchised Businesses), provided that the acquisition shall have been part of a transaction that contemplated the acquisition of 3 or more facilities from a single seller, and continue to operate the existing facilities under different trademarks, but possibly as associates using OASIS, pending resolution of the first right to operate procedure described below If You meet the prerequisites for executing Franchise Agreements set forth in Section 7, Franchisor shall offer You the first right to operate all such facilities located within the Development Area as franchised SERENDIPITY LABS Business(es) To exercise this right, You shall execute Franchisor's then-current form of franchise agreement for each such

facility located within the Development Area, as modified ~~by~~**revisions that are substantially similar to** any revisions to the Franchise Agreement that You have negotiated, and deliver such signed franchise agreement to Franchisor, together with (i) payment of the Initial Franchise Fee due under each franchise agreement, and (ii) a signed purchase agreement for all such facilities located within the Development Area in a form provided by Franchisor at a purchase price equal to the purchase price paid by Franchisor or a Franchisor Affiliate for the facilities (for example, a purchase price based on a 12-month trailing EBITDA multiple) and any payment due under the purchase agreement, within 60 days after the date You receive Franchisor's then-current Franchise Disclosure Document If You choose to acquire and operate a SERENDIPITY LABS Business pursuant to the terms of this Section, the SERENDIPITY LABS Business shall be considered an Authorized Location for all purposes under this Agreement If You do not meet the prerequisites for executing a Franchise Agreement set forth in Section 7, Franchisor shall have no obligation to offer You the first right to operate described in this Section 3 2(k) If Franchisor offers You the first right to operate and You fail to exercise such right pursuant to the procedures set forth in this Section 3 2(k), (i) Franchisor or a Franchisor Affiliate, as applicable, shall have the right to operate any such facility located within the Development Area as a SERENDIPITY LABS Business on terms no more favorable than those offered to You, or to grant a third party the right to operate any such facility located within the Development Area as a SERENDIPITY LABS Business, without offering You any additional rights or paying You any compensation, and (ii) You shall have the right, on 60 days' prior written notice to Franchisor, to terminate the Franchise for any Franchised Business operated by You or any of Your Affiliates within the Development Area and convert the Franchised Business to a business operating under different trademarks, and with the right, at your option, to operate the converted business as an associate using OASIS on reasonable agreed terms If You terminate any Franchise in accordance with the foregoing sentence, Franchisor, You and Your Principals shall have the post-termination obligations and rights specified in this Agreement, including those specified in Sections 9 (as to Confidential Information, but not as to non-competition), 11, 13 5 and 14

(~~l~~**k**) Use or benefit from, or authorize others to use or benefit from, common or unique systems, programs and tools related to constructing, developing, training, advertising, marketing, managing and operating business systems, computer software, communications technologies, equipment, reservations, referrals, central purchasing and supplier arrangements, without being obligated to provide You access to any of the foregoing systems, programs and tools, unless Franchisor, in its discretion, makes such systems, programs and tools part of the System**, or make them available to other similarly-situated SERENDIPITY LABS franchisees or developers**

(~~m~~**l**) Market, promote, advertise, service and perform all activities to obtain and service Corporate Account Clients, wherever they are located or need Business Services

4. TERM

4 1 Term The Term of this Agreement shall begin on the Effective Date of this Agreement and continue through the Expiration Date of this Agreement, unless earlier rightfully terminated pursuant to the terms of this Agreement

5. YOUR AND FRANCHISOR'S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

5 1 Commercially Reasonable Efforts You shall use commercially reasonable efforts to perform your obligations under this Agreement

5 2 Working Capital You shall ensure that adequate financial resources are available to fulfill your obligations under this Agreement

5 3 Non-Individual Developer If You are not an individual, then You represent, warrant and covenant that

(a) You are duly organized and validly existing under the state law of your formation

(b) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by You require such qualification and authorization

(c) Your Governing Documents shall at all times confine your activities exclusively to the operation of the business contemplated by this Agreement and/or the operation of one or more SERENDIPITY LABS Businesses, unless Franchisor otherwise consents in writing

(d) You have the power and authority, under your Governing Documents and applicable law, to enter into this Agreement and to substantially perform all of your obligations under this Agreement

(e) Your Governing Documents shall at all times restrict Transfers of all Ownership Interests, consistent with the Transfer restrictions contained in Section 10

(f) Copies of your Governing Documents, resolutions authorizing entry into and performance of your obligations under this Agreement, buy-sell Agreements or other documents restricting the sale or Transfer of any Ownership Interests in You, and any other ownership control documents reasonably requested by Franchisor, have been furnished to Franchisor before the Effective Date of this Agreement, and You shall provide Franchisor copies of any modifications to those documents

(g) Ownership Interests in You are accurately and completely described in Attachment 3 You shall maintain at all times a current list of Persons having Ownership Interests in You You shall promptly notify Franchisor of any changes to the Ownership Interests set forth in Attachment 3 and promptly deliver to Franchisor an updated list reflecting all changes

(h) Each certificate representing an Ownership Interest in You shall have conspicuously endorsed on it a statement that the certificate is held subject to the Transfer restrictions contained in this Agreement

(i) At your expense, within 120 days after the close of each fiscal year, You shall have a Certified Public Accountant prepare financial statements for the fiscal year for You (if You are an entity) or for the business contemplated by this Agreement (if You are not an entity), and shall supply to Franchisor a full set of such financial statements, including a balance sheet, a profit and loss statement, and a cash flow statement The financial statements shall be complete, accurate, and prepared in conformity with generally accepted accounting principles applied on a consistent basis (except as expressly described in the applicable notes), at least on a compilation basis

(j) If, after the Effective Date of this Agreement, any individual ceases to qualify as one of Your Principals, or if any individual becomes one of Your Principals, You shall notify Franchisor in writing within 5 Business Days after the change, and any individual becoming one of Your Principals shall promptly execute the Confidentiality Agreement and Ancillary Covenants Not to Compete as set forth in Attachment 4

(k) Your Controlling Owners shall, jointly and severally, guarantee performance of all of your obligations, covenants and agreements under this Agreement, and shall otherwise bind themselves to the terms of this Agreement, by executing the Undertaking and Guaranty attached as Attachment 2

(l) The representations, warranties and covenants set forth in this Section 5 are continuing obligations of You You shall reasonably cooperate with Franchisor in any efforts made by Franchisor to verify substantial compliance with such representations, warranties and covenants

5 4 Effect of Non-Compliance You acknowledge and agree that any material breach of the representations, warranties and covenants set forth in Sections 5 1, 5 2, and 5 3 shall constitute a material default of this Agreement You shall reasonably cooperate with Franchisor in any efforts made by Franchisor to verify substantial compliance with such representations, warranties and covenants

5 5 Compliance with Legal Requirements You agree to substantially comply with all Legal Requirements

5 6 Compliance with Agreement You agree to substantially comply with all requirements of, and to substantially perform all obligations imposed by, this Agreement

5 7 Franchisor's Representations, Warranties and Covenants Franchisor represents, warrants and covenants that (i) it owns or has the right to license all of the Intellectual Property associated with the System, (ii) it has the authority to enter into this Agreement and Franchise Agreements for SERENDIPITY LABS Businesses, which agreements will not violate any other agreements by which Franchisor and/or Franchisor Affiliates are bound, (iii) the System and Franchisor's marketing and rewards programs are in substantial compliance with all applicable laws, rules and regulations, (iv) similar (but not identical) restrictive covenants and marketing program participation requirements are imposed on all of its non-Franchisor Affiliate franchisees, (v) Franchisor intends to use commercially reasonable efforts, when appropriate, to enforce the restrictive covenants imposed on its developers and franchisees, (vi) Franchisor will not enter into any agreement in the future that will contradict or circumvent the rights granted to You under this Agreement, or to You or Your Affiliates under your or their Franchise Agreements, (vii) Franchisor will use commercially reasonable efforts to protect the System and the Intellectual Property against infringers, and (viii) Franchisor will use commercially reasonable efforts to maintain its federal and international Intellectual Property registrations To the extent that You are asked by Franchisor to assist in the maintenance of Franchisor's registrations, Franchisor will pay or reimburse You for any costs associated with such assistance

6. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

6 1 Franchise Agreements You or Your Affiliate shall execute a Franchise Agreement for each Authorized Location on or before the applicable Execution Deadline set forth in the Development Schedule The Franchise Agreement for the first Authorized Location shall be in the form included in Franchisor's current Franchise Disclosure Document, as modified by any revisions to the Franchise Agreement that You have negotiated The Franchise Agreement for each

additional Authorized Location shall be in the same form as the Franchise Agreement for the first Authorized Location

6 2 Development Schedule You and Your Affiliates shall have opened each Development Period, and shall have operating at the end of each Development Period, the minimum number of Authorized Locations required to be opened and operating, as set forth in the Development Schedule If, at any time during the Term, You cease operating an Authorized Location developed hereunder, You shall develop and open a replacement Authorized Location within the Development Area, so that You at all times have open and operating the minimum number of Authorized Locations due to be open at the end of a particular Development Period If, at any time during the Term, You Transfer your interest in an Authorized Location pursuant to the applicable terms of the Franchise Agreement for the Authorized Location being transferred, the transferred Authorized Location (provided that it is operating under the System and the Marks) shall be considered an open and operating Authorized Location for purposes of determining your compliance with the Development Schedule If, at any time during the Term, the transferred Authorized Location ceases to operate under the System and the Marks, You shall develop a replacement Authorized Location within the Development Area

6 3 Failure to Comply With Development Schedule Your failure to comply with the Development Schedule, or your failure to comply with any time period for the development of replacement Authorized Locations as set forth in Section 6 2, shall constitute a material default of this Agreement

7. PREREQUISITES TO EXECUTING FRANCHISE AGREEMENTS

7 1 Rights Personal Subject to any Transfer pursuant to Section 10, the rights and duties set forth in this Agreement are inextricably intertwined, are personal to You and Your Controlling Owners (as applicable), and are non-delegable Franchisor has granted these rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance of the duties by, You You have represented to Franchisor that such Persons have entered this Agreement for the purpose and with the intention to fully comply with the development obligations under this Agreement and not for the purpose of reselling the development rights

7 2 Conditions Before You or Your Affiliate may execute any Franchise Agreement, You shall have fully complied with any reasonable request by Franchisor for information concerning You, Your Principals, Your Affiliates and/or any of the Authorized Locations You or Your Affiliate shall have the right to enter into a Franchise Agreement only if the following conditions are satisfied

(a) Operational Compliance You are in substantial compliance with the Development Schedule and this Agreement You or Your Affiliates have operated all Authorized Locations developed under this Agreement, and You or Your Affiliate demonstrate a present ability to operate the proposed Authorized Location (i) in accordance with the terms and conditions of this Agreement, (ii) in accordance with the applicable Franchise Agreement for the Authorized Location, and (iii) in accordance with the Standards

(b) Financial Compliance You or Your Affiliate, as applicable, substantially satisfy Franchisor's then-current SERENDIPITY LABS system-wide financial criteria for a SERENDIPITY LABS system franchisee

(c) Compliance with Other Agreements During the 12-month period preceding your request, You and Your Affiliates have been in substantial compliance with Franchise Agreements or any other agreements between You or Your Affiliates and Franchisor or Franchisor Affiliates You acknowledge and agree that the financial stability of SERENDIPITY LABS Business operators is critical to the viability and reputation of the System

(d) Legal Compliance You are in substantial compliance with all applicable Legal Requirements

(e) Ownership Compliance Neither You nor any of Your Controlling Owners (as applicable) shall have effected a Transfer in violation of this Agreement

7 3 Issuance of Franchise Agreement If Franchisor determines, in its discretion, that You and Your Affiliates have met the conditions described in Section 7 2, then Franchisor shall offer You or Your Affiliate a Franchise Agreement for an additional Authorized Location

8. FEES AND CREDITS

8 1 Development Fee As partial consideration for the development rights granted to You under this Agreement, You shall pay to Franchisor the Development Fee on the execution of this Agreement The Development Fee is fully earned and ~~nonrefundable~~**non-refundable** on the execution of this Agreement

8 2 Credit Against Initial Franchise Fees Franchisor shall apply the Development Credit toward the Initial Franchise Fee payable under each Franchise Agreement executed in accordance with this Agreement

9. CONFIDENTIALITY AND NON-COMPETITION COVENANTS

9 1 Confidentiality Neither You nor any of Your Principals shall, during the Term or thereafter, duplicate, communicate, divulge or use for the benefit of any other Person, any Confidential Information, except in accordance with this Agreement or any Franchise Agreement for a SERENDIPITY LABS Business You and Your Principals shall divulge Confidential Information only to those of your personnel who must have access to it in connection with their employment by You The covenant in this first paragraph in Section 9 1 shall survive the expiration or rightful termination of this Agreement, or any Transfer, and shall be perpetually binding on You, each of Your Controlling Owners and each of Your Principals Your Principals who attend Franchisor's initial training program, before attending, shall execute Confidentiality Agreements and Ancillary Covenants Not to Compete as set forth in Attachment 4 All of your other personnel who attend Franchisor's initial training program, before attending, shall sign confidentiality agreements in a form reasonably prescribed by Franchisor You shall, at your own expense, use commercially reasonable efforts to enforce and restrain material defaults of such agreements and covenants

Franchisor shall not, during the Term or thereafter, duplicate, communicate, divulge or use for the benefit of any other Person, any confidential information received from You about your development-related business activities, including information regarding your business and

marketing performance, plans and forecasts, except in accordance with this Agreement or any agreement with You Franchisor shall divulge such confidential information only to those of its personnel who must have access to it in order to support the operation of your business, or to compile and use aggregated information about SERENDIPITY LABS franchisees and developers operating under the System You acknowledge that Franchisor may use such aggregated information in any lawful manner The covenant in this second paragraph in Section 9 1 shall survive the expiration or rightful termination of this Agreement, or any Transfer, and shall be perpetually binding on Franchisor

9 2 Covenants Against Competition You specifically acknowledge that, pursuant to this Agreement, You and Your Principals will receive Confidential Information You acknowledge that the Confidential Information provides a competitive advantage and is valuable in the development and operation of SERENDIPITY LABS Businesses, and that gaining access to the Confidential Information is, therefore, a primary reason that You have entered into this Agreement In consideration for gaining access to the Confidential Information, You covenant as follows

(a) Except as otherwise approved in writing by Franchisor, You shall not (during the Term), and each of Your Principals shall not (during the portion of the Term that any such Person comes within the definition of "Your Principals"), either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any Person

(i) Divert, or attempt to divert, any business or Client of any SERENDIPITY LABS Business to a Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the System or the Marks

(ii) (A) Employ or engage any Person who is employed or engaged, or at any time in the preceding 12-month period has been employed or engaged, by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, at any Competitive Business, or (B) knowingly seek to induce any Person who is employed or engaged by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, to leave such employment or engagement In the event of a breach of this Section 9 2(a)(ii), recognizing the time, effort and resources necessary to train replacement personnel and the difficulty of establishing the precise amount of damages for breach of this Section 9 2(a)(ii), in addition to the other remedies provided for in this Agreement or otherwise available to Franchisor, any Franchisor Affiliate, or any other SERENDIPITY LABS system developer or franchisee affected by the breach, You agree to pay Franchisor, or any affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee, as applicable, as liquidated damages and not as a penalty, an amount equal to the employee's annualized salary or compensation (at his or her most recent rate of employment or engagement by Franchisor, or by the affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee)

(iii) Own, maintain, operate, engage in, have any financial or beneficial interest in (including any interest in any Person that owns, maintains, operates or engages in), advise, assist, or make loans to, any Competitive Business which is, or is intended to be located within the United States, its territories or commonwealths, or within any other country, province or geographic area in which Franchisor or a Franchisor Affiliate has registered or applied for registration of any of the Marks, or operates or licenses others to operate SERENDIPITY LABS Businesses This

provision does not apply to the direct or indirect ownership of shares representing less than 1% of any entity that is publicly traded on any securities exchange

(b) For a continuous uninterrupted period of 2 years, beginning with the "commencement date" specified below, neither You nor any of Your Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any Person

(i) Divert, or attempt to divert, any business or Client of any SERENDIPITY LABS Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the System or the Marks

(ii) (A) Employ or engage any Person who is employed or engaged, or at any time in the preceding 12-month period has been employed or engaged, by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, at a Competitive Business, without the current or former employer's or contractor's prior written consent, or (B) knowingly seek to induce any Person who is employed or engaged by Franchisor, by a Franchisor Affiliate, by any other SERENDIPITY LABS system developer or franchisee, or by any SERENDIPITY LABS Business, to leave such employment or engagement for employment or engagement at a Competitive Business In the event of a breach of this Section 9 2(b)(ii), recognizing the time, effort and resources necessary to train replacement personnel and the difficulty of establishing the precise amount of damages for breach of this provision, in addition to the other remedies provided for in this Agreement or otherwise available to Franchisor, or any Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee affected by the breach, You agree to pay Franchisor, or any affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee, as applicable, as liquidated damages and not as a penalty, an amount equal to the employee's annualized salary or compensation (at his or her most recent rate of employment or engagement by Franchisor, or by the affected Franchisor Affiliate or SERENDIPITY LABS system developer or franchisee)

(iii) Own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in any Person that owns, maintains, operates or engages in), advise, assist or make loans to, any Competitive Business which is, or is intended to be located (a) within the Development Area, or (b) within a 25-mile radius of any SERENDIPITY LABS Business in existence or under construction (or where land has been purchased or a lease has been executed for the construction of a SERENDIPITY LABS Business) as of the commencement date of this Section 9 2(b)

For purposes of this Section 9 2(b), the "commencement date" of this covenant for You is the date that this Agreement expires or is rightfully terminated (regardless of the reason for termination), or the date that You Transfer all of your interest in this Agreement, the "commencement date" for any of Your Principals is the earlier of the date that Your Principal ceases to come within the definition of "Your Principals," or the date of expiration or rightful termination (regardless of the reason for termination) of this Agreement

(c) You acknowledge that the covenants contained in this Section 9 2 are reasonable limitations as to time, geographic area, and scope of activity to be restrained, and do not impose greater restraints than are necessary to protect the goodwill in other business interests of Franchisor Each of the covenants in this Section 9 2 shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of a covenant in this Section

9 2 is held unreasonable or unenforceable by a court, arbitrator or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, such covenant shall be modified by such court, arbitrator or agency to the minimum extent required by law to make the covenant enforceable, and You expressly agree to be bound by any lesser covenant as reformed by such court, arbitrator or agency, or as subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made part of this Section 9 2

(d) You understand and acknowledge that Franchisor has the unilateral right, in its discretion, to reduce the scope of any covenant applicable to You or any of Your Principals as set forth in this Section 9 2, or any portion thereof, without your consent or the consent of any of Your Principals, effective immediately on notice to You, and You agree that You and Your Principals shall comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 9 2(c)

(e) If You or any of Your Principals violate any covenants contained in this Section 9 2, and if Franchisor institutes any court action to prevent or enjoin such violation, then the duration of the covenants of Section 9 2(b) shall be lengthened by a period of time equal to the period between the date of the start of the violation and the date on which the decree of the court's disposition of the issues on the merits becomes final in favor of Franchisor and is not subject to further appeal

(f) You agree that the existence of any claims Your or Your Principals may assert against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9 2

(g) At Franchisor's reasonable request, You shall require and obtain execution of covenants similar to those set forth in this Section 9 2 (including covenants applicable on the termination of a Person's employment or engagement by You) from any of your personnel who attends Franchisor's initial training program, before attendance, or has access to Confidential Information, before access Any covenants required under this Section 9 2(g) shall be substantially in the form set forth in Attachment 4 Franchisor may, in its discretion, reduce the period of time or geographic scope of the covenants not to compete set forth in Attachment 4, or eliminate those covenants altogether, for any Person who is required to execute the covenants

(h) Your and Your Principals' obligations under this Section 9 are fully assignable by Franchisor, and shall survive any merger, acquisition, sale of assets, or other change in ownership or control of Franchisor

9 3 Effect of Non-Compliance The parties acknowledge that any failure by either party to substantially comply with the requirements of this Section 9 shall constitute a material default under Section 13 The parties acknowledge that a material violation by either party of the terms of this Section 9 would result in irreparable injury to the other party for which no adequate remedy at law may be available, and the parties accordingly consent to the issuance of an injunction prohibiting any conduct by the party in material violation of the terms of this Section 9 In connection with any action to enforce the terms of this Section 9, the losing party(ies) agree(s) to pay all court costs and reasonable attorneys' fees incurred by the prevailing party(ies), including all reasonable costs related to obtaining specific performance or an injunction

10. TRANSFERS OF INTEREST

10 1 Transfers By Franchisor Franchisor may transfer this Agreement, in its discretion, to any Person, so long as such transfer is part of a sale of all or substantially all of Franchisor's assets or membership interests, and so long as such Person, in Franchisor's reasonable business judgment, is willing and able to assume all obligations of Franchisor under this Agreement Franchisor may transfer certain of its obligations under this Agreement, in its discretion, to any Person, so long as such Person, in Franchisor's reasonable business judgment, is willing and able to assume all such obligations Without limitation to the foregoing, Franchisor (or any Franchisor Affiliate, as applicable) may sell its assets, the Marks, the Patents, the Copyrighted Works or other elements of the System to any Person, may offer its securities privately or publicly, may merge with, spin off or acquire other companies, or be acquired by another company, or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring With regard to any or all of the above transfers, sales, assignments and dispositions, You expressly and specifically waive any claims, demands or damages against Franchisor arising from or related to the transfer of the Marks (or any variation thereof), the Patents, the Copyrighted Works or the System to any other Person, provided that said transferee agrees to assume and is capable of assuming all obligations of Franchisor under this Agreement

10 2 Transfers By You The rights and duties set forth in this Agreement are personal to You, and Franchisor has granted rights under this Agreement in reliance on your business skill, financial capacity and personal character, and the business skill, financial capacity and personal character of Your Owners If You or any of Your Owners wish to effect a transfer of this Agreement or a Controlling Interest, the transferor and the proposed transferee shall apply to Franchisor for its consent, which shall not be unreasonably withheld, conditioned or delayed Franchisor may require any or all of the following as conditions of its consent

(a) All of your and Your Affiliates' monetary and other obligations to Franchisor and Franchisor Affiliates arising under this Agreement, or under any other agreements (including Franchise Agreements), as of the date of Transfer, shall have been satisfied in a timely manner, and You and Your Affiliates are in substantial compliance with all such agreements as of the date of Transfer

(b) You shall have substantially satisfied all obligations, of whatever nature or kind, owed to trade creditors and others related to your development activities under this Agreement, in a timely manner, and You are in substantial compliance with all agreements with such trade creditors and others

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor Affiliates, and their respective present and former officers, directors, shareholders, partners, agents, representatives, independent contractors and employees, in their corporate and individual capacities, including claims arising under this Agreement, any Franchise Agreements or any other agreements between You or Your Affiliates and Franchisor or Franchisor Affiliates, or under any federal, state or local laws, rules, regulations or orders Franchisor shall execute and deliver to You a general release, in a form reasonably satisfactory to You, of all claims against You, Your Owners, Your Affiliates, and their respective present and former officers, directors, shareholders, members, managers, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under this Agreement, under any other agreements (including any other Franchise Agreements) between

Your or Your Affiliates and Franchisor or Franchisor Affiliates, or under any federal, state or local laws, rules, regulations or order

(d) The transferee shall demonstrate to Franchisor's reasonable satisfaction that the transferee meets the criteria typically considered by Franchisor when reviewing prospective developer applications, including the transferee's educational, managerial and business qualifications, the transferee's character, business reputation and credit rating, the transferee's aptitude and ability to conduct the business contemplated by this Agreement (as may be evidenced by prior related business experience or otherwise), the transferee's financial resources and capital for conduct of the business, and the geographic proximity of other territories with respect to which the transferee has been granted development rights or of other SERENDIPITY LABS Businesses operated by the transferee

(e) You shall have provided Franchisor, at least 30 days prior to the proposed Transfer, a copy of the applicable purchase agreement or stock transfer agreement, and all other information concerning the proposed Transfer that Franchisor reasonably requests, except You shall not be required to provide Franchisor a copy of any applicable purchase agreement among Your Controlling Owners

(f) The transferee shall execute for a term ending on the Expiration Date of this Agreement, (i) the standard development agreement and ancillary agreements then being offered to new developers in the SERENDIPITY LABS system, or (ii) this Agreement and its ancillary agreements revised to substitute the transferee as the Developer, as Franchisor deems appropriate in its discretion If a new development agreement is executed, that agreement shall supersede this Agreement in all respects, except that (i) the new development agreement shall contain revisions that are substantially similar to any revisions to this Agreement that You have negotiated, and (ii) the economic terms specified in this Agreement shall remain the same in the new development agreement

(g) You shall pay to Franchisor the Transfer Fee

(h) You shall have opened for business at least the first Authorized Location contemplated under this Agreement

(i) If the transferee is not an individual, the transferee shall make and be bound by representations, warranties and covenants similar to those set forth in Section 9 The transferee shall provide to Franchisor evidence reasonably satisfactory to Franchisor that the terms of Section 9 have been satisfied, and are true and correct, on the date of Transfer

(j) The transferor shall remain liable for all of the obligations to Franchisor in connection with this Agreement incurred before the date of the Transfer, and shall execute all instruments reasonably requested by Franchisor to evidence that continuing liability

10 3 Death or Permanent Disability On your death (if a natural Person), or on the death of any of Your Controlling Owners who is a natural Person, the executor, administrator or other personal representative of the deceased shall Transfer the interest of the deceased to a third party according to the conditions set forth in Section 10 2 within 12 months after the date of death If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, then the distributee of the interest of the deceased must be approved by Franchisor If the distributee is not approved by Franchisor, then the distributee shall

Transfer the interest of the deceased to a third party approved by Franchisor within 12 months after the date of death

On your Permanent Disability (if a natural Person), or on the Permanent Disability of any of Your Controlling Owners who is a natural Person, Franchisor may require your or the permanently disabled principal's interest to be transferred to a third party approved by Franchisor in accordance with the conditions set forth in Section 10 2 within 6 months after Franchisor notifies You of such requirement If the parties disagree as to whether a natural Person is permanently disabled, the existence of Permanent Disability shall be determined by a licensed practicing physician selected by Franchisor, on examination of the natural Person, or if the natural Person refuses to submit to an examination, then (for the purpose of this Section 10 3) the natural Person automatically shall be considered permanently disabled as of the date of refusal The costs of any examination required by this Section 10 3 shall be paid by Franchisor

If an interest is not transferred on death or Permanent Disability as required in this Section 10 3, then the failure shall constitute a material default of this Agreement

10 4 Effect of Consent Franchisor's consent to a Transfer shall not constitute a waiver of any claims that Franchisor has against the transferring party, nor shall it waive Franchisor's right to demand substantial compliance with any terms of this Agreement by the transferee

10 5 Transfers Among Your Controlling Owners In the event that any of Your Controlling Owners wish to effect Transfers, by and among themselves, of their respective Ownership Interests in You, the Transfers shall be considered approved, provided that (i) the same Persons are Your Controlling Owners both before and after the Transfers, (ii) the aggregate interests held by all of Your Controlling Owners both before and after the Transfers are the same (*i e* , the Transfers are not to Persons who are not already Your Controlling Owners, and do not result in any of Your Controlling Owners having no interest in You after the Transfers), (iii) there is substantial compliance with Sections 10 2(a) and (b), and (iv) there is substantial compliance with Section 10 2(c) as to Your Controlling Owners having no interest in You after the Transfers The Transfers shall not be subject, however, to the conditions set forth in Sections 10 2(d)-(j)

10 6 Other Transfers Regarding Transfers not covered by Section 10 2 or Section 10 5, if any of Your Owners wish to effect Transfers, You shall promptly notify Franchisor of the proposed Transfers in writing, and shall provide any information relative thereto that Franchisor reasonably requests before the Transfers The transferees must have good moral character, good business reputations and acceptable credit ratings as determined by Franchisor in its discretion, and may not operate or have any interests in any Competitive Businesses If any transferees attend Franchisor's initial training program, before attending, they shall execute Confidentiality Agreements and Ancillary Covenants Not to Compete as set forth in Attachment 4

10 7 Estate Planning Transfers, Null and Void Transfers A Transfer for estate planning purposes, such as transfer of title to a Controlling Interest to a trust established in the name of the Controlling Owner, does not require the prior written consent of Franchisor, if the Transfer shall not involve a transfer or assignment of this Agreement, a transfer or assignment of a Controlling Interest to another party (other than a trust established in the name of the Controlling Owner), or a transfer or assignment of substantially all of the assets of the Franchised Business Any purported Transfer, by operation of law or otherwise, requiring the prior written consent of Franchisor that

does not have such consent, shall be null and void, and shall constitute a material default of this Agreement

10 8 Permitted Transfers Notwithstanding anything to the contrary in this Agreement, Franchisor acknowledges and agrees that You intend to assign opening and operating rights granted to You in this Agreement to certain of Your Affiliates as to certain Authorized Locations ("Permitted Transfers"), and that no Franchisor consent or transfer fee shall be required or shall apply to such Permitted Transfers

11 INDEMNIFICATION

11 1 Indemnification by You You shall at all times indemnify, to the fullest extent permitted by law, the Franchisor Indemnitees from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, counterclaim, demand, investigation or formal or informal inquiry pursued by any third party (collectively, an "Action"), or any settlement of any Action (whether or not a formal proceeding has been instituted), except as to (i) any claim arising out of a breach of this Agreement by Franchisor or the Franchisor Indemnitees, (ii) any claim based on any other civil wrong of Franchisor or the Franchisor Indemnitees, or (iii) any claim based on Franchisor's strict liability under the law, that arises out of or is based on any of the following acts or omissions

(a) The infringement, alleged infringement, or any other violation or alleged violation by You, or by any of Your Affiliates, Your Principals or Your Owners, of any patent, trademark, copyright or other proprietary right owned or controlled by a third party (except to the extent occurring with respect to the development rights granted under this Agreement or the rights to use any of the Intellectual Property granted under a Franchise Agreement)

(b) The violation or breach, or the alleged violation or breach, by You, or by any of Your Affiliates, Your Principals or Your Owners, of any federal, state or local law, regulation, ruling, standard or directive, or any accepted industry standard

(c) Libel, slander or any other form of defamation by You, or by any of Your Affiliates, Your Principals or Your Owners, of Franchisor, the System, or any SERENDIPITY LABS system developer or franchisee

(d) The violation or breach by You of any warranty, representation, agreement or obligation in this Agreement, or the violation or breach by You or any of Your Affiliates of any Franchise Agreements, or of any other agreements between You or Your Affiliates and Franchisor or Franchisor Affiliates, or the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of any of them

(e) Acts, errors or omissions of You, or of any of Your Affiliates, Your Principals or Your Owners, or of their respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees, in connection with the performance or nonperformance of their obligations under this Agreement, or the development or operation of any SERENDIPITY LABS business pursuant to a Franchise Agreement, including any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle You specifically acknowledge (i) that Franchisor does not have any reserved or general right to exercise control over, and does not exercise and indirect or direct control over, your day-to-day operations (including operations-related functions such as safety and security, the use of equipment and motor vehicles, and the delivery of products and services to Clients, and personnel-related functions such as recruiting,

interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing), (ii) that all liability arising out of your operations is therefore your responsibility, and (iii) that your indemnification obligation to the Franchisor Indemnitees under this Section 11 1 covers any "joint employer," "agency," "ostensible agency" or similar claims by third parties based on your operations

11 2 Third Parties The Franchisor Indemnitees do not assume any liability for any acts, errors or omissions of any third party with whom You, Your Affiliates, Your Principals or Your Owners, or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of You, Your Affiliates, Your Principals or Your Owners, may contract, regardless of the purpose You and Your Controlling Owners shall indemnify the Franchisor Indemnitees for all Losses and Expenses arising out of any acts, errors or omissions of You, Your Affiliates, Your Principals or Your Owners, or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of You, Your Affiliates, Your Principals or Your Owners, and any such third party, without limitation and without regard to the cause or causes of the acts, errors or omissions, or the negligence (whether sole, joint or concurrent, and whether active or passive) of any other party or parties arising in connection therewith, except with regard to acts or omissions of the Franchisor Indemnitees, for which Franchisor shall indemnify You, Your Affiliates, Your Principals or Your Owners, or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of You, Your Affiliates, Your Principals or Your Owners as provided herein Under no circumstances shall the Indemnitees be required or obligated to seek recovery from any third party or otherwise to mitigate their losses in order to maintain an indemnification claim against You Nevertheless, the Indemnitees are required to reasonable efforts to mitigate their losses

11 3 Notice of Claims, Legal Counsel You covenant to give Franchisor prompt notice of any Action for which any Franchisor Indemnitee may be entitled to indemnification under Section 11 1, even if none of the Franchisor Indemnitees is initially named as a party to such Action As to any such Action, You shall retain legal counsel reasonably satisfactory to Franchisor with respect to the defense and/or settlement of the Action, and, except as otherwise provided in this Agreement, shall control the defense and/or settlement of the Action If You are unable or unwilling to retain such legal counsel, at the expense and risk of You, Franchisor may elect (but under no circumstance is Franchisor obligated) to retain legal counsel of its own choosing with respect to the defense and/or settlement of such Action The assumption of control of the defense and/or settlement of such Action by Franchisor shall, in no manner or form, diminish the obligation of You to indemnify the Franchisor Indemnitees

11 4 Control of Settlement In order to protect its reputation or goodwill, Franchisor may, at any time , agree to a settlement (after it has conferred with You in good faith before agreeing to the settlement), or take other remedial or corrective actions that it considers expedient with respect to an Action if, in Franchisor's reasonable business judgment, there are reasonable grounds to believe that (a) any act or circumstance enumerated in Section 11 1(a) through (d) has occurred, or (b) any act, error or omission as described in Section 11 1(e) has occurred that may result in damage to Franchisor's goodwill or reputation Notwithstanding the foregoing, Franchisor may not, at any time, agree to a settlement or take other remedial or corrective actions that it considers expedient with respect to an Action involving employee-related or labor relations matters ("Employment Action") by employees of You and/or Your Affiliates against You and/or

Your Affiliates Furthermore, You shall have full control over the defense of an Employment Action and shall act in good faith to amicably settle the Employment Action if in the best interest of You and Franchisor

11 5 No Waiver All Losses and Expenses incurred under Sections 11 1 through 11 4 shall be chargeable to and paid by You pursuant to the indemnification obligations under Sections 11 1 through 11 4, regardless of any action, activity or defense undertaken by Franchisor, or the subsequent success or failure of that action, activity or defense, unless, in the context of Section 11 4, Franchisor has failed to first confer with You in good faith

11 6 Survival The terms of this Section 11 shall survive the expiration or rightful termination of this Agreement, or any Transfer

11 7 Indemnification by Franchisor Franchisor shall at all times indemnify, to the fullest extent permitted by law, the Developer Indemnitees from all Losses and Expenses incurred in connection with any Action or any settlement of any Action (whether or not a formal proceeding has been instituted), except as to (i) any claim arising out of a breach of this Agreement by You, Your Principals or Your Owners, (ii) any claim based on any other civil wrong of You, or any of Your Affiliates, Your Principals or Your Owners, or (iii) any claim based on your, Your Affiliates', Your Principals' or Your Owners' strict liability under the law, that arises out of or is based on any of the following acts or omissions

(a) The infringement, alleged infringement, or any other violation or alleged violation by Franchisor, or its officers or representatives of any patent, trademark, copyright or other proprietary right owned or controlled by a third party

(b) The violation or breach, or asserted violation or breach, Franchisor, or its officers or representatives of any federal, state or local law, regulation, ruling, standard or directive, or any accepted industry standard

(c) Libel, slander or any other form of defamation by Franchisor, or its officers or representatives

(d) The violation or breach by Franchisor of any warranty, representation, agreement or obligation in this Agreement, or in any other agreement between You or Your Affiliates and Franchisor or Franchisor Affiliates, or the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of any of them

(e) Acts, errors or omissions of Franchisor, or its officers or representatives in connection with the operation of Franchisor's business, including any acts, errors or omissions of any of the foregoing relating to the operation of any motor vehicle or to any security breaches in Franchisor's intranet and other systems

(f) Your use of the Intellectual Property, provided that your conduct and the conduct of Your Principals with respect to the use of such Intellectual Property is in substantial compliance with the terms of this Agreement and the Standards

(g) Under no circumstances shall the Developer Indemnitees be required or obligated to seek recovery from any third party or otherwise to mitigate their losses in order to maintain an indemnification claim against Franchisor Nevertheless, the Developer Indemnitees will undertake reasonable efforts to mitigate their losses Franchisor agrees that the failure to

pursue recovery from any third party, or otherwise to mitigate losses, shall in no way reduce the amounts recoverable from Franchisor by the Developer Indemnitees Franchisor covenants to give You prompt notice of any Action for which the Developer Indemnitees may be entitled to indemnification under this Section 11 7, even if the Developer Indemnitees are not initially named as parties to such Action As to any such Action, Franchisor, in its reasonable business judgment, shall retain legal counsel of its own choosing with respect to the defense and/or settlement of the Action If Franchisor is unable or unwilling to retain such legal counsel, at the expense and risk of Franchisor, the Developer Indemnitees may elect (but under no circumstance are they obligated) to retain legal counsel of their own choosing with respect to the defense and/or settlement of such Action The assumption of control of the defense and/or settlement of such Action by the Developer Indemnitees shall, in no manner or form, diminish the obligation of Franchisor to indemnify the Developer Indemnitees The Developer Indemnitees may, at any time, agree to a settlement (after they have conferred with Franchisor in good faith before agreeing to the settlement), or take other remedial or corrective actions that they consider expedient, with respect to such Action if, in their reasonable business judgment, there are reasonable grounds to believe that (i) any of the acts or circumstances enumerated in this Section 11 7 have occurred, or (ii) any act, error, or omission as described in this Section 11 7 may result directly or indirectly in damage, injury, or harm to any Person or any property All Losses and Expenses incurred under this Section 11 7 shall be chargeable to and paid by Franchisor pursuant to the indemnification obligations under this Section 11 7, regardless of any actions, activity or defense undertaken by the Developer Indemnitees, and regardless of whether the Developer Indemnitees have been able to mitigate their losses, or the subsequent success or failure of such actions, activity or defense Franchisor's obligations under this Section 11 7 shall survive the expiration or termination of this Agreement

12. RELATIONSHIP OF THE PARTIES

12 1 Relationship of Parties Under this Agreement, You are an independent contractor with entire control and direction of your development operations, subject only to the terms of this Agreement and its attachments This Agreement is not intended to, and does not create a fiduciary or other special relationship between the parties, or make any party a principal, agent, legal representative, parent, affiliate, subsidiary, joint venturer, partner, employer, joint employer, employee or servant of any other party for any purpose In that regard

(a) Franchisor has no right or duty to supervise or control your development operations, and disclaims any liability under this Agreement for any damages arising out of your development operations

(b) You are solely responsible for recruiting, interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing your personnel, and your personnel are not our employees, independent contractors or agents Franchisor has no right or duty to supervise, or to exercise control over, your personnel in your development operations, and disclaims any rights or responsibilities as to your personnel You are solely responsible for consulting with your own third -party human resources ("HR") service provider and/or legal counsel concerning compliance with personnel laws and regulations that are applicable within the Development Area, and for complying with those laws and regulations

(c) Except as provided in this Agreement, the OASIS Platform Services Agreement and any Franchise Agreement, You are solely responsible for training your personnel

To the extent that Franchisor provides You with guidelines, recommendations, materials and other resources related to training your management and non-management personnel, You may use those training resources, or may choose to use alternate training resources, so long as your non-management personnel are trained to maintain your development operations in a System-compliant, Standards-compliant, legal and safe manner

(d) You are solely responsible for establishing and enforcing your own policies related to personnel practices and labor relations To the extent that Franchisor provides You with guidelines, recommendations, materials and other resources related to personnel practices and labor relations, You may use those resources, or may choose to use alternate resources You are solely responsible for consulting with your own third -party HR service provider and/or legal counsel concerning compliance with personnel and labor relations laws and regulations that are applicable within the Development Area, and for complying with those laws and regulations

12 2 Notices to Public During the Term, You shall hold yourself out, to the public, public officials, your suppliers, your independent contractors and others, as an independent contractor exercising development rights granted by Franchisor, and not as an entity exercising those rights jointly with Franchisor You shall take any reasonable action that Franchisor considers necessary to that end, including exhibiting notices of the parties' relationship in a conspicuous manner on websites, letterhead, forms, business cards, electronic communications, advertisements, and other materials Franchisor reasonably designates Franchisor reserves the right to specify and change the content and form of these notices

12 3 Statements to and Acknowledgments by Employees During the Term, You shall hold yourself out to your prospective employees, and to your employees, as an independent contractor exercising development rights granted by Franchisor, and not as an entity exercising those rights jointly with Franchisor You shall take any reasonable action that Franchisor considers necessary to that end, including (i) stating conspicuously on each employment application that the prospective employee is applying to be your employee and not an employee of Franchisor, (ii) stating your entire business name, rather than just using Franchisor's brand name and/or logo, on your payroll checks and/or payroll-related communications to employees, and (iii) requiring employees to sign acknowledgments that they are not employees of Franchisor, even though they are selling products and services identified by Franchisor's brand name and/or logo, are receiving payroll checks and other communications that contain Franchisor's brand name and/or logo, may have applied for jobs through Franchisor's website, or may communicate with or receive non-mandatory feedback, coaching or recommendations from representatives of Franchisor in emails or other electronic or written communications, or during telephone calls, meetings or inspections Franchisor reserves the right to specify and change the content and form of these statements and acknowledgments

12 4 Contracts, Etc Nothing in this Agreement authorizes You to make any contract, agreement, warranty or representation on Franchisor's behalf, to incur any obligation, debt or expense in Franchisor's name, or to make any representation to any third party tending to indicate a business relationship with Franchisor beyond that created under this Agreement Franchisor disclaims any liability for, and shall not be liable under this Agreement for any claim or judgment arising as a result of, any such action Under this Agreement, no party is responsible for any obligations, debts or expenses of any other party

13. TERMINATION

13 1 Automatic Termination This Agreement shall automatically terminate without notice to You, on the occurrence of any of the following events

(a) If You become insolvent or make a general assignment for the benefit of creditors,

(b) If You file a voluntary petition under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state, or admit in writing an inability to pay valid debts when due,

(c) If You are adjudicated bankrupt or insolvent in a proceeding filed against You under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state, or if a bill in equity or other proceeding for the appointment of a receiver of You , or other custodian for the business or assets is filed and consented to by You, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction,

(d) If proceedings for a composition with creditors under any state or federal law are instituted by or against You , and is not dismissed or discharged within 30 days,

(e) If a final, non-appealable judgment against You remains unsatisfied or of record for 90 days or longer (unless supersedeas bond is filed),

(f) If You are dissolved (with the exception of an inadvertent administrative dissolution, if You are promptly reinstated),

(g) If execution is levied against your business or property,

(h) If suit to foreclose any lien or mortgage against the premises or equipment of any of the Authorized Locations is instituted and not dismissed within 30 days, or

(i) If the personal property owned or leased by You at any of the Authorized Locations, of if the real property owned by You for any of the Authorized Locations, is sold after levy by any sheriff, marshal or constable

13 2 Termination By Franchisor On Notice, Sometimes After Opportunity to Cure You shall be deemed to be materially in default of this Agreement, and Franchisor, at its option, may terminate this Agreement, without affording You any opportunity to cure the material default except as provided below, effective immediately when Franchisor gives written notice to You (subject to any cure period requirement or longer cure period requirement under applicable law), on the occurrence of any of the following events

(a) If You fail to comply with the Development Schedule, or if You fail to develop a replacement Authorized Location within any time period agreed on by the parties under Section 6 2, in each case after a 60-day opportunity to cure,

(b) If You or Your Affiliate fails to execute each Franchise Agreement in accordance with Section 6 1 (or in accordance with any extension approved by Franchisor in writing), after a 30-day opportunity to cure,

(c) If Franchisor rightfully terminates any Franchise Agreement for an Authorized Location, after any applicable notice and cure period in the Franchise Agreement,

(d) If You or any of Your Controlling Owners are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or any other crime or offense

that Franchisor believes is reasonably likely to have an adverse effect on the System, the goodwill associated with the System or Franchisor's interest in the System,

(e) If You or any of Your Controlling Owners purport to effect a Transfer in violation of this Agreement,

(f) If You or Your Affiliates do not pay when due any amount rightfully due to Franchisor or Franchisor Affiliates under this Agreement, any Franchise Agreements or any other agreements (which shall include any agreements requiring payment to lenders where Franchisor has guaranteed the underlying indebtedness), after a 30-day opportunity to cure,

(g) If You fail to pay any amount rightfully due to any third -party supplier or trade creditor according to applicable credit terms, after a 30-day opportunity to cure,

(h) If You or any of Your Principals fail to comply with the in-term covenants in Section 9, or if You fail to obtain the execution of the covenants required under Section 9 2(d), after a 30-day opportunity to cure,

(i) If contrary to the terms of Section 9 1, You or any of Your Principals knowingly misuse any Confidential Information in violation of Section 9 1, or if You fail to obtain execution of any agreements or covenants required under Section 9 1, after a 30-day opportunity to cure,

(j) If a Transfer on death or Permanent Disability is not made in accordance with Section 10 3 within the time periods set forth in that Section,

(k) If You breach in any material respect any representation, warranty or covenant in Section 5, after a 30-day opportunity to cure,

(l) If You or any of Your Principals misuse or make any unauthorized use of any of the Intellectual Property, or otherwise materially impair the goodwill associated therewith or Franchisor's rights therein, after a 24-hour opportunity to cure,

(m) If You **repeatedly** commit ~~more than 3~~ material defaults of this Agreement in any ~~12~~6-month period, whether or not those material defaults are of the same or different nature, and whether or not those material defaults are cured by You after notice by Franchisor, or

(n) If You or any of Your Affiliates are in material breach of any agreement between You or Your Affiliates and Franchisor or Franchisor Affiliates, including any Franchise Agreement for an Authorized Location, and do not cure the material default within any applicable notice and cure period provided for in the agreement (unless no notice and cure period is specified in the agreement, in which case the notice and cure period in Section 13 3 shall apply)

For any material default by You enumerated under this Section 13 for which You are afforded a cure period, if it is impractical to cure the material default within the cure period because of circumstances beyond your control, and if You have commenced efforts to cure the subject material default and are diligently pursuing those efforts within the cure period, then the cure period herein prescribed shall be extended for an additional period as shall be reasonably necessary to accomplish such cure

13 3 Termination By Franchisor After Opportunity to Cure Except as provided in Sections 13 1 and 13 2, on any material default by You, Franchisor may terminate this Agreement by giving written notice of default and termination to You stating the nature of the material default

at least 30 days before the effective date of rightful termination However, You may avoid termination by promptly initiating a remedy to cure the material default and curing it to Franchisor's satisfaction within the 30-day period and by promptly providing proof thereof to Franchisor However, if it is impractical to cure the material default within the cure period because of circumstances beyond your control, and if You have commenced efforts to cure the subject material default and are diligently pursuing those efforts within the cure period, then the cure period herein prescribed shall be extended for an additional period as shall be reasonably necessary to accomplish such cure If any material default is not cured within the specified time (or such longer period as applicable law may require, or as provided in the preceding sentence), this Agreement shall terminate without further notice to You, effective immediately on the expiration of the 30-day period (or such longer period as applicable law may require, or as provided herein above) Material defaults susceptible of cure may include the following illustrative events

(a) Your failure to substantially comply with any of the requirements imposed by this Agreement, or your failure to carry out the terms of this Agreement in good faith,

(b) Your failure to materially maintain or observe any of the Standards, or

(c) Your failure, refusal or neglect to obtain Franchisor's prior written approval or consent as required by this Agreement

13 4 Actions By Franchisor in Lieu of Termination In the event of any material default of Section 13 2 or 13 3 that is not cured within the applicable cure period, if any, Franchisor, in its discretion and in lieu of exercising its termination rights, may do any one or more of the following

(a) Unilaterally reduce the Development Area, but not so as to affect any Authorized Locations already operating, under development or in predevelopment,

(b) Unilaterally reduce the number of Authorized Locations that You may develop, but not so as to affect any Authorized Locations already operating, under development or in predevelopment,

(c) Terminate or modify any first right to operate or Right of First Refusal granted to You in Section 3 2, and/or

(d) Pursue all other remedies Franchisor may have at law or in equity

13 5 Effects of Material Default

(a) On expiration or rightful termination of this Agreement, You shall have no right to develop or operate any Authorized Location for which a Franchise Agreement has not been executed by Franchisor and delivered to You at the time of expiration or rightful termination

(b) If Franchisor elects, pursuant to Section 13 4, to reduce the Development Area and/or the number of Authorized Locations, it also shall have the unilateral right to amend the Development Schedule, in its discretion, and You shall comply with such amended Development Schedule as if such Development Schedule were the original Development Schedule contemplated under this Agreement

(c) On expiration or rightful termination of this Agreement, or on any reduction in the Development Area pursuant to Section 13 4, Franchisor shall be entitled to operate, and to grant franchises for the operation of, SERENDIPITY LABS Businesses in the Development Area or in

the portion thereof no longer part of the Development Area or pursuant to any other modification of your territorial rights, except as may be otherwise provided under any Franchise Agreement which is then in effect between You or Your Affiliate and Franchisor

(d) Franchisor's exercise of any of its options under this Section 13 shall not constitute a waiver by Franchisor of its right to terminate this Agreement as a result of such material default or a subsequent material default of a similar or different nature Franchisor may suspend any services otherwise owed You if You are in material default, and may set off any monies it owes You against any amounts You owe it at any time

(e) Except as otherwise provided in this Agreement, no right or remedy herein conferred on or reserved to You or Franchisor under this Agreement is exclusive of any other right or remedy provided or permitted by contract, law or in equity

(f) On expiration or rightful termination of this Agreement, except to the extent continued use is permitted by a Franchise Agreement, You shall immediately cease to use, in any manner whatsoever, the Confidential Information, the Software, the Reservation System, and any proprietary methods, procedures or techniques associated with the System Franchisor shall immediately cease to use, in any manner whatsoever, any confidential information received from You about your development-related business activities during the Term, except Franchisor may use such information to compile and use aggregated information about SERENDIPITY LABS developers operating under the System while You were part of the SERENDIPITY LABS system as a developer, and may use such aggregated information in any lawful manner The restrictions in this Section 13 5(h) on the use by You and Franchisor of confidential information, and the restrictions in this Section 13 5(h) on the use by You of the Software, the Reservation System, and any proprietary methods, procedures and techniques associated with the System, shall be perpetual

(g) On expiration or rightful termination of this Agreement, You, Your Principals and Franchisor shall comply with the restrictions on confidential information and non-competition covenants, as applicable, contained in Section 9, regardless of the basis for any rightful termination Any other Person required to execute similar covenants pursuant to Section 9 2(d) also shall comply with those covenants Notwithstanding the foregoing, if You terminate this Agreement pursuant to Section 13 4, You, Your Principals and Your Owners shall not be bound by the non-competition covenants

13 6 Disclaimer Franchisor disclaims any right under this Section 13 to terminate this Agreement based on any decision or action by You regarding recruiting, interviewing, hiring, keeping the time of, scheduling, processing the payroll of, supervising, disciplining or firing your personnel

14. MISCELLANEOUS

14 1 Notices and Demands All notices or demands required or permitted under this Agreement shall be given in writing, and shall be deemed received (a) at the time delivered by hand to the recipient party, (b) the next Business Day after being sent via guaranteed overnight delivery by a commercial courier service, or (c) 5 Business Days after being mailed by certified mail All notices, payments and reports shall be sent to a party at the address reflected in Attachment 1, unless and until a different address has been designated in writing to the party

14 2 Integration This Agreement, the documents referred to in this Agreement, and the Attachments to this Agreement, constitute the entire, full and complete agreement between You and Franchisor concerning the subject matter of this Agreement, and except as specifically provided otherwise in this Agreement, supersede all prior related representations, understandings or agreements between You and Franchisor, except the representations by Franchisor in the Franchise Disclosure Document provided to You in connection with the execution of this Agreement Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor has made in the Franchise Disclosure Document No amendment, change or variance from this Agreement shall be binding on any party unless mutually agreed to by all of the parties and executed by their authorized officers or agents in writing

14 3 No Waiver No delay, waiver, omission or forbearance on the part of either party to exercise any right, option, duty or power arising out of any material default by the other party under this Agreement shall constitute a waiver by such party to enforce any such right, option, duty or power against the defaulting party, or as to a subsequent material default by the defaulting party Acceptance by a party of any payment due to it under this Agreement after the time at which the payment is due shall not be a waiver by the receiving party of any preceding material default by the other party of any term, provision, covenant or condition of this Agreement

14 4 Approvals and Consents Whenever this Agreement requires the prior approval or consent of Franchisor, You shall make a timely written request to Franchisor for the approval or consent, the approval or consent must be obtained in writing, and the approval or consent shall not be unreasonably withheld, conditioned or delayed by Franchisor Franchisor's failure to respond to a request shall constitute neither the grant nor the denial of any consent or approval Franchisor makes no warranties or guarantees on which You may rely, and assumes no liability or obligation to You or to any third party to which Franchisor would not otherwise be subject, by providing any approval or consent, or by providing any other waiver, advice or suggestion to You in connection with this Agreement

14 5 Consequences of Force Majeure Event Despite the occurrence of any Force Majeure event, You shall continue to be obligated to pay to Franchisor all amounts that You became duly obligated to pay in accordance with the terms of this Agreement before the occurrence of the Force Majeure event, and the Franchisor Indemnitees shall continue to be indemnified by Franchisor or You in accordance with Section 11 Except as provided in the immediately preceding sentence, no party shall be held liable for a failure to substantially comply with any terms and conditions of this Agreement when the failure is caused by a Force Majeure event On the occurrence of any Force Majeure event, the affected party shall give prompt notice thereof to the other party(ies), together with a description of the event, the duration for which the party expects its ability to substantially comply with the provisions of this Agreement to be affected thereby, and a plan for resuming operation under this Agreement (which plan the party shall promptly undertake and maintain with due diligence) The affected party shall be liable for failure to give timely notice pursuant to this Section 14 5 only to the extent of damage actually caused by the delay

14 6 Choice of Law Except to the extent this Agreement or any particular dispute is governed by the U S Trademark Act of 1946 or other federal law, or by any law regulating the sale of franchises or governing the relationship between a franchisor and a franchisee whose jurisdictional requirements are met independently of this Section 14 6, this Agreement shall be governed by and

construed in accordance with the laws of the state of Connecticut (without reference to its conflict of laws principles), provided, however, that if any term of this Agreement is not enforceable under the laws of the state of Connecticut, that term shall be governed by the laws of the state in which the largest portion of your Development Area is located References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time References to a governmental agency also refer to any regulatory body that succeeds the function of such agency

14 7 Consent to Jurisdiction For all claims, controversies or disputes, You and Franchisor irrevocably submit to the exclusive jurisdiction of the Federal Arbitration Act (9 U S C § 1 et seq), and of the federal and state courts located in in the county or city in which Franchisor's (or its successor's or assign's) home office is located at the time (currently Fairfield County, Connecticut, and Stamford, Connecticut) You and Franchisor acknowledge that each party's agreement regarding applicable state law and choice of forum set forth in Section 14 6 and this Section 14 7 provides each of the parties with mutual benefit of uniform interpretation of this Agreement and any dispute rising out of this Agreement or the parties' relationship created by this Agreement You and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for that benefit, and that each party's agreement regarding applicable state law and choice of forum has been negotiated for in good faith and is part of the benefit of the bargain reflected by this Agreement Notwithstanding the foregoing, if Franchisor (or its successor or permitted assign) moves its principal office from Stamford, Connecticut, then the exclusive venue and jurisdiction for any litigation or arbitration between the parties shall be the city and state which is nearest Franchisor's (or its successor's or permitted assign's) home office at the time the claim is filed

14 8 Arbitration Except as otherwise specified in this Agreement, the parties agree that any dispute or disagreement between them, or any claim by one or more of them, concerning this Agreement or any related agreement, shall be resolved by binding arbitration, initiated at and supervised by the American Arbitration Association ("AAA") office nearest Franchisor's (or its successor's or assign's) home office at the time, unless agreed otherwise by the parties

(a) Arbitration shall be conducted under the then-prevailing commercial arbitration rules of the AAA by 1 arbitrator who shall be selected and agreed upon by the parties Any arbitration hearing shall be conducted on an individual, not a class-wide, basis No arbitration award shall have any preclusionary or collateral estoppel effect in any other arbitration or adjudicatory proceeding Judgment on an arbitration award may be entered in any court of competent jurisdiction, and shall be binding, final and non-appealable

(b) If any dispute or claim cannot be the subject of arbitration, the parties agree that the dispute or claim shall be separated from all other disputes and claims, which other disputes and claims shall first be resolved by arbitration, after which any dispute or claim which cannot be the subject of arbitration shall be brought before any court of general jurisdiction specified in Section 26 2 If the parties are unable to separate out these matters, their allegations and positions on them shall be brought before the arbitrator, who will rule separately on the matters, and that ruling shall be subject to appropriate judicial review on the petition of a party

(c) Nothing in this Section 14 8 shall prevent either party from obtaining temporary, preliminary or permanent injunctive relief, without bond, from a court or agency of competent

jurisdiction against actual or threatened conduct causing loss or damage that can be remedied under usual equity rules

14 9 Limitations Any claim by You or Franchisor concerning this Agreement or any related agreement shall be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within 3 years after the date on which You or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim

14 10 Place of Performance The execution of this Agreement and acceptance of the terms by the parties whether in person or by electronic signature occurred at Franchisor's place of business in Stamford, Connecticut The parties anticipate that your performance of certain obligations arising under this Agreement, including the payment of certain monies due to Franchisor, shall occur in Stamford, Connecticut

14 11 Waiver YOU ON ONE HAND, AND FRANCHISOR ON THE OTHER HAND, AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES ARISING OUT OF ANY CAUSE (WHETHER THE CAUSE IS BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT, OR OTHERWISE), AND AGREE THAT IN THE EVENT OF A DISPUTE, THEY SHALL BE LIMITED TO THE RECOVERY OF ANY DIRECT DAMAGES SUSTAINED BY THEM EVEN IF ANY TERM OF THIS AGREEMENT IS FOUND TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT YOU AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER PARTY

14 12 Multiple Originals This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute the same instrument

14 13 Survival Any obligation of You or Your Principals that contemplates performance of the obligation after expiration or rightful termination of this Agreement, or after any Transfer, shall be deemed to survive that expiration, rightful termination or Transfer, including the provisions of this Section 14

14 14 Severability Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable Any determination by a court or agency having valid jurisdiction that any portion, section, part, term or provision is invalid shall not impair the operation of, or have any other effect on, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and to be binding on the parties Any portions, sections, parts, terms or provisions of this Agreement determined to be invalid shall be deemed not to be part of this Agreement, and there shall be automatically added a new portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation

14 15 Joint and Several Obligations Without limiting the obligations individually undertaken by Your Controlling Owners under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by You in this Agreement shall be deemed jointly and severally undertaken by You and all of Your Controlling Owners

14 16 Remedies Cumulative Except as otherwise expressly set forth in this Agreement, all rights and remedies of the parties to this Agreement are cumulative and not alternative, in addition to and not exclusive of any other rights or remedies provided for in this Agreement or which may be available at law or in equity in case of any breach, failure or material default, or any threatened breach, failure or material default, of any term, provision or condition of this Agreement or any other agreement between You or Your Affiliates and Franchisor or Franchisor Affiliates The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient, and any option or election to enforce any right or remedy may be exercised or taken at any time and from time to time The expiration or rightful termination of this Agreement by either party hereto shall not discharge or release the other party from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, rightful termination or exercise of such rights

14 17 Organizations Each reference in this Agreement to a corporation, partnership or limited liability company shall be deemed to also refer to any other entity or organization similar thereto Each reference in this Agreement to the organizational documents, equity owners, directors and officers of a corporation shall be deemed to refer to the functional equivalents of those organizational documents, equity owners, directors and officers, as applicable, in the case of a corporation, a partnership, a limited liability company, or any other entity or organization similar thereto

14 18 Third -Party Beneficiaries Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor shall be deemed, to confer on any Person other than You, Franchisor, and such of your and Franchisor's successors and assigns as may be contemplated (and, as to You, authorized by Section 10 2), any rights or remedies under or as a result of this Agreement Notwithstanding the foregoing, Serendipity Labs, Inc and any such other Franchisor Affiliate holding any right in any of the Intellectual Property, and such entity's successors and assigns, shall have the full and independent right, at its option and in its discretion, to enforce any term or condition of this Agreement concerning or affecting such Intellectual Property, jointly with Franchisor

14 19 Attorneys' Fees, Expenses and Costs If any arbitration, any action for any dispute or claim which cannot be the subject of arbitration, or any action for injunctive relief, is started concerning this Agreement or any related agreement, the party which prevails in that arbitration or action shall be entitled to a judgment against the other party for the costs of the arbitration or action, including reasonable attorneys' fees, reasonable expenses of arbitration or litigation, and arbitration or court costs

14 20 Effectiveness This Agreement shall not become effective until signed by authorized officers of You and Franchisor

15. ACKNOWLEDGMENTS

15 1 You acknowledge that You have conducted an independent investigation of the business contemplated by this Agreement, and recognize that the success of the business contemplated by this Agreement involves substantial business risks and shall largely depend on your ability Franchisor expressly disclaims making, and You acknowledge that You have not received or relied on, any representation, warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement

Initials_____/_____

15 2 You acknowledge that You have received, read and understand this Agreement and the related Attachments and agreements, and that Franchisor has afforded You sufficient time and opportunity to consult with advisors selected by You about the potential benefits and risks of entering into this Agreement

Initials_____/_____

15 3 You acknowledge that You received a complete copy of this Agreement and all related Attachments and agreements at least 7 calendar days before the date on which You signed this Agreement You further acknowledge that You have received the Franchise Disclosure Document at least 14 calendar days and 10 Business Days before the date on which You signed this Agreement

Initials _____/_____

15 4 You acknowledge that complete and detailed uniformity among SERENDIPITY LABS system franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that Franchisor, in its discretion, may reasonably modify or vary aspects of the System as to any SERENDIPITY LABS system franchisee or group of SERENDIPITY LABS system franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions You are aware that other SERENDIPITY LABS system franchisees may operate under different agreements and, consequently, that Franchisor's obligations and rights as to those franchisees may differ materially in certain circumstances

Initials _____/_____

15 5 You have represented to Franchisor that neither You, nor Your Affiliates, nor Your Principals, nor Your Owners, have been designated as suspected terrorists as set forth on the list of Specially Designated Nationals as promulgated by the Office for Asset Control under the U S Department of Treasury

Initials _____/_____

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by

its duly authorized representative

FRANCHISOR:

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name ~~{Franchisor Signatory}~~**John P. Arenas**

Title ~~{Franchisor Signatory Title}~~**President**

DEVELOPER

{DEVELOPER NAME}

By _____

Name {Developer Signatory}
Title {Developer Signatory Title}

RIDER TO DEVELOPMENT AGREEMENT FOR USE IN CALIFORNIA

This Rider to the Development Agreement between Franchisor and {Developer Name} is agreed to as of {Effective Date}

1 Section 8 1 is amended to include the following

The California Department of Business Oversight requires Franchisor to defer payment of the Development Fee and other initial payments due to Franchisor until it has performed all its pre-opening obligations Your Development Fee and other initial payments to Franchisor will be due when You have completed initial training and open your first franchised business

2 In recognition of the requirements of the California Franchise Investment Law, Cal Corp Code §§31000-31516, and the California Franchise Relations Act, Cal Bus and Prof Code §§20000-20043, the Development Agreement is amended as follows

- Section 9 2 and Attachment 4 contain covenants not to compete that extend beyond the expiration or termination of the Development Agreement These provisions may not be enforceable under California law

- The California Franchise Relations Act provides rights to You concerning termination or non-renewal of the Development Agreement, which may supersede provisions in the Development Agreement
- Section 13 1 provides for termination of the Development Agreement upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C Section 101, *et seq*)
- Section 14 5 requires the application of the laws of the State of Connecticut This provision may not be enforceable under California law
- Section 14 7 requires binding arbitration The arbitration will occur at the offices of the American Arbitration Association nearest Franchisor's home office, with the cost being borne by the party which does not prevail You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Bus and Prof Code §20040 5, Code of Civil Procedure §1281, and the Federal Arbitration Act) to any provisions of the Development Agreement restricting venue to a forum outside the state of California

2 To the extent this Rider is deemed to be inconsistent with any terms of the Development Agreement (including its attachments), the terms of this Rider will govern

IN WITNESS WHEREOF, each undersigned party hereby acknowledges having read this Rider, and understands and consents to be bound by all of its terms

FRANCHISOR:

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name {Franchisor Signatory}
Title {Franchisor Signatory Title}

DEVELOPER

{DEVELOPER NAME}

By _____

Name {Developer Signatory}

Title

{Developer Signatory Title}

ATTACHMENT 1
TO DEVELOPMENT AGREEMENT

BASIC INFORMATION

EFFECTIVE DATE	{Effective Date}
EXPIRATION DATE	{Expiration Date}
FRANCHISOR	Serendipity Labs Franchise International, LLC 700 Canal Street Stamford, Connecticut 06902 Telephone (855) 801-7757 Email john@serendipitylabs com Attention John P Arenas
YOU	{Developer Name} {Developer Street} {Developer City} Telephone {Developer Telephone} Email {Developer Email} Attention {Developer Signatory}
DEVELOPMENT AREA	{Development Area}
NUMBER OF AUTHORIZED LOCATIONS	Initial Location ~~({Standard or Hub})~~ and {Number of Authorized Locations} Additional Locations ~~({Standard or Hub})~~
DEVELOPMENT FEE	{Development Fee} ($20,000 per Additional Location)
DEVELOPMENT CREDIT	$20,000 per Additional Location **(to be applied against $75,000 Initial Franchise Fee for each Additional Location)**
TRANSFER FEE	$5,000 per undeveloped Additional Location, payable as of the date of Transfer

ATTACHMENT 2
TO DEVELOPMENT AGREEMENT

UNDERTAKING AND GUARANTY

Each of the undersigned acknowledges and agrees, as of {Effective Date}, as follows

(1) Each has read the terms and conditions of the Development Agreement and acknowledges that the execution of this Undertaking and Guaranty and the undertakings of Your Controlling Owners in the Development Agreement are in partial consideration for, and a condition to, the granting of the rights under the Development Agreement, and that Franchisor would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings by each of the undersigned,

(2) Each is included in the term "Your Controlling Owners",

(3) Each individually, jointly and severally, makes all of the covenants, representations, warranties and agreements of Your Controlling Owners set forth in the Development Agreement, and is obligated to perform thereunder (including, without limitation, those regarding compliance with the Development Agreement in Sections 5 and 6, the use of Confidential Information, in-term and post-term covenants against competition, in Section 9, and indemnification in Section 11) , and

(4) Each individually, jointly and severally, unconditionally, and irrevocably guarantees to Franchisor and its successors and assigns, that all of your obligations under the Development Agreement shall be punctually paid and performed On default by You or on notice from Franchisor, each of Your Controlling Owners shall immediately make each payment and perform each obligation required of You under the Development Agreement Without affecting the obligations of any of Your Controlling Owners under this Guaranty, Franchisor may, without notice to Your Controlling Owners, waive, renew, extend, modify, amend or release any indebtedness or obligation of You, or may settle, adjust or compromise any claims that Franchisor may have against You Each of Your Controlling Owners waives all demands and notices of every kind with respect to the enforcement of this Undertaking and Guaranty, including notices of presentment, demand for payment or performance by You, any default by You or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of You Franchisor may pursue its rights against any of Your Controlling Owners without first exhausting its remedies against You and without joining any other guarantor, and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of the right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of that or any other right or remedy On receipt by Franchisor of notice of the death of any of Your Controlling Owners, the estate of the deceased shall be bound by the foregoing Undertaking and Guaranty, but only for defaults and obligations under the Development Agreement existing at the time of death, and in that event, the obligations of Your Controlling Owners who are remaining shall continue in full force and effect

ATTEST	YOUR CONTROLLING OWNERS
_____	_____
Witness	Name {Guarantor Name}
_____	_____
Witness	Name {Guarantor Name}
_____	_____
Witness	Name {Guarantor Name}
_____	_____
Witness	Name {Guarantor Name}

ATTACHMENT 3
TO DEVELOPMENT AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS AND YOUR PRINCIPALS

A The following is a list of stockholders, partners or other investors in You, including all investors who own or hold direct or indirect interests in You, as of the Effective Date, and descriptions of the nature of their interests If any of the following stockholders, partners or other investors is an entity other than a natural Person, the names of all Persons holding Ownership Interests in such entity, and descriptions of the nature of their interests, shall appear directly below the name of the stockholder, partner or other investor

Name	Percentage of Ownership/Nature of Interest
{Owner Name}	{Owner Percentage}
{Owner Name}	{Owner Percentage}

B The following are "Your Principals" under the Franchise Agreement, as of the Effective Date, each of whom shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment 4 (see Section 9 of the Development Agreement)

{Principal Name}

{Principal Name}

ATTACHMENT 4
TO DEVELOPMENT AGREEMENT

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into as of {Effective Date}, between Serendipity Labs Franchise International, LLC ("Franchisor"), {Developer Name} ("Developer"), and {Covenantor Name} ("Covenantor").

RECITALS

WHEREAS, Franchisor or its affiliate, as the result of the expenditure of time, skill, effort and money, has developed and owns a system ("System") for establishing and operating facilities ("SERENDIPITY LABS Businesses") offering Membership Plans, Business Services and other office support services

WHEREAS, the SERENDIPITY LABS Business operates under the trademark "SERENDIPITY LABS" and such other trademarks, trade names, service marks, logos, emblems, trade dress, and other indicia of origin which Franchisor and/or its affiliates own, and which Franchisor has designated or may in the future designate, for use in connection with the System (the "Marks")

WHEREAS, the System includes the distinctive business format and methods for operating SERENDIPITY LABS Businesses The System also includes Franchisor's methods, techniques, specifications, policies, procedures and other standards that relate to the operation of a SERENDIPITY LABS Business, the training, assistance and support that may be offered by Franchisor designees, the quality and integrity of products and services offered at SERENDIPITY LABS Businesses, and Franchisor's advertising and marketing programs

WHEREAS, the System also includes certain information, knowledge, know-how, techniques, and materials used in or related to the System, including Franchisor's confidential Manuals, the Marks, the Patents, the Copyrighted Works, and other intellectual property, software, information about Clients and prospective Clients, plans and specifications, marketing information, materials and strategies, site evaluation and selection guidelines and techniques and other information (the "Confidential Information")

WHEREAS, "Confidential Information" does not include (i) information that is already in, or after disclosure comes into, the public domain (other than information that is in the public domain due to Developer's or Covenantor's breach of this Agreement or other agreements involving Franchisor, Franchisor Affiliates, Developer or Covenantor), (ii) information that was independently developed by Developer or Covenantor, (iii) information that was already in Developer's or Covenantor's possession without obligation of confidentiality at the time of disclosure by Franchisor, or (iv) information that is obtained by Developer or Covenantor from any third party without obligation of confidentiality

WHEREAS, the Marks and Confidential Information provide economic advantages to Franchisor and Developer, and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's and Developer's competitors who could obtain economic value from knowledge and use of the Marks and Confidential Information

WHEREAS, Franchisor and Developer have taken and intend to take all reasonable steps to maintain the confidentiality and secrecy of the Confidential Information

WHEREAS, Franchisor and Developer have entered into an agreement dated as of {Effective Date} ("Development Agreement") under which Developer has acquired the right to develop and operate a certain number of SERENDIPITY LABS Businesses in accordance with the System

WHEREAS, it will be necessary for Covenantor to have access to and to use some or all of the Confidential Information in the management and operation of Developer's business using the System

WHEREAS, Developer has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and the System against unfair competition

WHEREAS, Covenantor wishes to remain, or wishes to become, employed or engaged by Developer

WHEREAS, Covenantor wishes and needs to receive and use the Confidential Information in the course of his or her employment or engagement in order to effectively perform his or her services for Developer

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein

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

CONFIDENTIALITY AGREEMENT

1 Franchisor and/or Developer will disclose to Covenantor, as necessary, some or all of the Confidential Information relating to the System All information and materials, including, without limitation, any Manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Developer or Covenantor, or which Franchisee provides to Covenantor, will be deemed Confidential Information for the purposes of this Agreement

2 Covenantor will receive the Confidential Information in confidence and will, at all times, maintain them in confidence, and use them only in the course of his or her employment or engagement by Developer and then only in connection with the development and/or operation by Developer of an Authorized Location for so long as Developer is licensed by Franchisor to use the System

3 Covenantor will not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission

4 Covenantor will not at any time disclose or permit the disclosure of the Confidential Information except to other personnel of Developer or any of Developer's affiliates and only to the limited extent necessary to train or assist other personnel of Developer or any of Developer's affiliates in the development or operation of an Authorized Location

5 Covenantor will surrender any material containing some or all of the Confidential Information to Franchisor or Developer, on request by Franchisor or Developer, or on termination

of employment or engagement by Developer, or on conclusion of the use for which such information or material may have been furnished to Covenantor

6 Covenantor will not at any time, directly or indirectly, do any act or omit to do any act that could or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System

7 All Manuals are loaned by Franchisor to Developer for limited purposes only, remain the property of Franchisor, and may not be reproduced by Covenantor, in whole or in part, without Franchisor's written consent

COVENANTS NOT TO COMPETE

1 In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Confidential Information, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants, during the term of the Development Agreement, and Covenantor's employment or engagement by Developer, as follows

a Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or Client of any Authorized Location to any competitor, by direct or indirect inducement or otherwise

b (i) Not to employ or engage any person who is at the time (or has been within the preceding 12 months) employed or engaged by Franchisor or any of its affiliates, or by any franchisee or developer of Franchisor, at any business that is of a character and concept similar to the Franchised Business, and (ii) not to knowingly, directly or indirectly, induce any person who is at the time employed or engaged by Franchisor or any of its affiliates, or by any franchisee or developer of Franchisor, to leave such employment or engagement, except as may occur in connection with Developer's employment or engagement of such person if permitted under the Development Agreement or any Franchise Agreement

c Except with respect to the Authorized Locations described in the Development Agreement and operated pursuant to separately executed Franchise Agreements, and other SERENDIPITY LABS Business operated under Franchise Agreements between Developer or any of its affiliates and Franchisor or any of its affiliates, not to directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with any person or entity, without the prior written consent of Franchisor, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business that is of a character and concept similar to the SERENDIPITY LABS Businesses, and which business is located (a) within the Development Area, (b) within a 25-mile radius of any SERENDIPITY LABS Business in existence or under construction (or where land has been purchased or a lease has been executed for the construction of a SERENDIPITY LABS Business) as of the earlier of (i) the expiration or rightful termination of, or the Transfer of all of Developer's interest in, the Development Agreement, or (ii) the time Covenantor ceases to be employed or engaged by Developer, as applicable, or (c) in the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or any of its affiliates has used, sought registration of or registered the Marks or similar marks or operates or licenses other to operate a business under the Marks or similar marks

This provision does not apply to the direct or indirect ownership of shares representing less than 1% of any entity that is publicly traded on any securities exchange

2 In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the uniqueness of the System, Covenantor agrees and covenants that for a continuous uninterrupted period of 12 months following the earlier of the expiration or rightful termination of the Development Agreement, the Transfer of all of Developer's interest in the Development Agreement, or the termination of his or her employment or engagement by Developer, Covenantor will not without the prior written consent of Franchisor

a Divert, or attempt to divert, directly or indirectly, any business, business opportunity or Client of any of Developer's SERENDIPITY LABS Businesses to any competitor

b (i) Employ or engage any person who is at the time (or has been within the preceding 12 months) employed or engaged by Franchisor or any of its affiliates, or by any franchisee or developer of Franchisor, at any business that is of a character and concept similar to the Franchised Business, or (ii) knowingly, directly or indirectly, induce any person who is at the time employed or engaged by Franchisor or any of its affiliates, or by any franchisee or developer of Franchisor, to leave such employment or engagement

c Except with respect to other businesses operated under Franchise Agreements between Developer or any of its affiliates, and Franchisor or any of its affiliates, directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity, own, maintain, operate, engage in or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business that is of a character and concept similar to the SERENDIPITY LABS Businesses, and which business is, or is intended to be, located (a) within the Development Area, (b) within a 25-mile radius of any SERENDIPITY LABS Business in existence or under construction (or where land has been purchased or a lease executed for the construction of a SERENDIPITY LABS Business) as of the earlier of (i) the expiration or rightful termination of, or the Transfer of all of Developer's interest in, the Development Agreement, or (ii) the time Covenantor ceases to be employed or engaged by Developer, as applicable, or (c) in the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or any of its affiliates has used, sought registration of or registered the Marks or similar marks or operates or licenses other to operate a business under the Marks or similar marks This provision does not apply to the direct or indirect ownership of shares representing less than 1% of any entity that is publicly traded on any securities exchange

d If the non-competition covenants in the Franchise Agreement are of no further force and effect due to other provisions in the Franchise Agreement, the non-competition covenants in this Agreement shall be of no further force and effect

COVENANTOR WHO IS "PRINCIPAL" OF DEVELOPER UNDER DEVELOPMENT AGREEMENT

1 If Covenantor is a Principal of Developer under the Development Agreement (see definition of "Your Principals" in Section 1 1 of the Development Agreement), Covenantor agrees to comply with the terms and conditions in Sections 9 and 14 of the Development Agreement

MISCELLANEOUS

1 Developer will use commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement

2 Covenantor agrees that in the event of a breach of this Agreement, Franchisor and/or Developer would be irreparably injured and be without an adequate remedy at law Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor and/or Developer will be entitled to enforce the provisions of this Agreement and will be entitled, in addition to any other remedies which are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security Covenantor agrees that any claim he or she may have against Franchisor or Developer, whether or not related to the SERENDIPITY LABS Business, will not be a defense to the enforcement by Franchisor or Developer of any term of this Agreement

3 Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Developer in enforcing this Agreement

4 Any failure by Franchisor or Developer to object to or take action with respect to any breach of any provision of this Agreement by Covenantor will not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor

5 This Agreement will be governed by the laws of the state in which Franchisor's principal business office is located on the date of the execution of this Agreement

6 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographic area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor and Developer The parties agree that each of the foregoing covenants will 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 any unappealed final decision to which Franchisor or Developer is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement

7 This Agreement contains the entire agreement of the parties regarding the subject matter hereof This Agreement may be modified only by a duly authorized writing executed by all parties This Agreement does not supersede any confidentiality or non-competition agreement that Covenantor may execute in connection with Covenantor's employment or engagement by Developer

8 All notices and demands required to be given hereunder will be in writing and will be sent by personal delivery, expedited delivery service or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties

If directed to Franchisor, the notice will be addressed to

Serendipity Labs Franchise International, LLC
700 Canal Street
Stamford, Connecticut 06902
Attention John P Arenas
Telephone (855) 801-7757
Email john@serendipitylabs com

If directed to Developer, the notice will be addressed to

{Developer Name}
{Developer Street}
{Developer City}
Attention {Developer Signatory}
Telephone {Developer Telephone}
Email {Developer Email}

If directed to Covenantor, the notice will be addressed to

{Covenantor Name}
{Covenantor Street}
{Covenantor City}
Attention {Covenantor Name}
Telephone {Covenantor Telephone}
Email {Covenantor Email}

Any notices or demands sent by personal delivery will be deemed given on receipt Any notices or demands sent by expedited delivery service will be deemed given on the next Business Day Any notices or demands sent by certified mail will be deemed given 5 Business Days after the time of mailing Any change in the foregoing addresses will be effected by giving 10 Business Days' written notice of such change to the other parties "Business Days" for the purpose of this Agreement exclude Saturdays, Sundays and the following national holidays New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas

9 The rights and remedies of Franchisor and Developer under this Agreement are fully assignable and transferable and will inure to the benefit of their respective Affiliates, successors and assigns The obligations of Covenantor hereunder may not be assigned by Covenantor without the prior written consent of Franchisor

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below

SERENDIPITY

SERENDIPITY LABS FRANCHISE INTERNATIONAL, LLC

By _____

Name ~~{Franchisor Signatory}~~**John P. Arenas**

Title ~~{Franchisor Signatory Title}~~**President**

DEVELOPER

{DEVELOPER NAME}

By _____

Name {Developer Signatory}
Title {Developer Signatory Title}

COVENANTOR

{COVENANTOR NAME}

_____

ATTACHMENT 5
TO DEVELOPMENT AGREEMENT

{DEVELOPMENT SCHEDULE}

Schedule I
Development Periods

Development Period	Final Date of Development Period	Cumulative Total Number of Open and Operating Authorized Locations
1		
2		
3		
4		
5		
6		

Schedule II

Authorized Location Openings[1]

AUTHORIZED LOCATION	Franchise Agreement Execution Deadline	Opening Deadline
Initial Location		
Additional Location 1		
Additional Location 2		
Additional Location 3		
Additional Location 4		
Additional Location 5		

[1] Unless Franchisor agrees otherwise in its discretion {The Initial Location will be in _____ Additional Locations 1 and 2 will be in _____ and _____, although they are not required to open in that order Additional Locations 3 and 4 may both be in _____, or 1 may be in _____ and 1 may be in _____, although they are not required to open in that order }

EXHIBIT D

FRANCHISE COMPLIANCE QUESTIONNAIRE

FRANCHISE COMPLIANCE QUESTIONNAIRE

Serendipity Labs Franchise International, LLC ("Franchisor") and you are preparing to enter into a franchise agreement for the establishment and operation of a franchised SERENDIPITY LABS business The purpose of this Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading Please understand that your responses to these questions are important to us and that we will rely on them Please review each of the following questions and statements carefully, and provide an honest and complete response to each By signing this Questionnaire, you are representing that you have responded truthfully to the following questions

1 You had your first face-to-face meeting with a SERENDIPITY LABS representative on

_____

2 You received and personally reviewed the SERENDIPITY LABS Franchise Disclosure Document ("disclosure document") that was provided to you

Yes _____ No _____

3 Did you sign a receipt for the disclosure document indicating the date you received it?

Yes _____ No _____

4 Do you understand all of the information in the disclosure document and any state-specific addendum to the disclosure document?

Yes _____ No _____

If No, what parts of the disclosure document and/or addendum do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

_____

_____

_____

_____

5 Have you received and personally reviewed the franchise agreement, any development agreement, and each addendum and related agreement attached to either of them?

Yes _____ No _____

6 Do you understand all of the information in the franchise agreement, any development agreement, and each addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the franchise agreement, any development agreement, or any addendum or related agreement do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

_____

_____

_____

_____

7 Have you entered into any binding agreement with Franchisor for the purchase of the franchise or any development rights before today?

Yes _____ No _____

8 Have you discussed the benefits and risks of establishing and operating a franchised SERENDIPITY LABS Business with your counsel or advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9 Do you understand that the success or failure of your SERENDIPITY LABS Business depends in large part on your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

Except as disclosed in Item 19 of the disclosure document, Franchisor does not make information available to prospective franchisees concerning actual, average, projected or forecasted sales, profits or earnings Franchisor does not furnish, or authorize its salespersons to furnish, any oral or written information concerning the actual, average, projected, forecasted sales, costs, income or profits of a franchised business Franchisor

specifically instructs its sales personnel, agents, employees and other officers that they are not permitted to make any claims or statements as to the earnings, sales, profits, prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to a franchisee's operation Actual results vary from franchise to franchise and are dependent on a variety of internal and external factors, some of which neither Franchisor nor you can estimate To ensure that Franchisor's policies have been followed, please answer the following questions

10 Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise to you regarding the total revenues a franchised SERENDIPITY LABS Business will generate that is contrary to the information in the disclosure document?

Yes _____ No _____

11 Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise of the amount of money or profit you may earn in operating a franchised SERENDIPITY LABS Business that is contrary to the information in the disclosure document?

Yes _____ No _____

12 Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise regarding the operating costs you may incur in operating a franchised SERENDIPITY LABS Business that is contrary to the information in the disclosure document?

Yes _____ No _____

13 Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise of the likelihood of success that you should or might expect to achieve from operating a franchised SERENDIPITY LABS Business?

Yes _____ No _____

14 Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement, promise or agreement of the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information in the disclosure document?

Yes _____ No _____

15 If you have answered "Yes" to any 1 of questions 11-15, please provide a full explanation of each "Yes" answer (Attach additional pages, if necessary, and refer to them below) If you have answered "No" to each of questions 11-15, please leave the following lines blank

_____

_____

_____

_____

_____

_____

_____

16 You signed the franchise agreement, any development agreement, and any addenda and attachments on _____, and acknowledge that no agreement or addendum is effective until signed and dated by Franchisor

You certify that your answers to the foregoing questions are true, correct and complete

FRANCHISEE

_____

Name {Owner Name}

Date _____

FRANCHISEE

_____

Name {Owner Name}

Date _____

EXHIBIT E

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

THIS AGREEMENT is entered into by _____ _____ ("we," "us," or "our"), a franchisee of Serendipity Labs Franchise International, LLC ("Serendipity Labs"), and _____ _____ ("you," "your" or "yourself")

RECITALS

A We desire to employ or engage you, and

B You desire to be employed or engaged by us, in connection with our SERENDIPITY LABS Business

In consideration of the recitals above and the terms below, the parties agree

1 Covenants Not to Disclose, Covenants Not to Compete You agree that certain methods of doing business and other elements comprising the SERENDIPITY LABS system are distinctive and have been developed by us at great effort, skill, time and expense, that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the SERENDIPITY LABS system, and that you recognize your obligation to promote and develop our SERENDIPITY LABS Business You accordingly agree as follows

(a) Except as required in duties performed for us, you will never, either during or after the term of employment or engagement, either directly or indirectly, use, or disseminate or disclose to any person or entity, any of our trade secrets or confidential information, including Client names, other Client information and business methods, and will always seek to preserve the confidentiality of those trade secrets and confidential information

(b) During your employment or engagement, you will not, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, divert or attempt to divert any business or client of ours to any competitor or other person by direct or indirect inducement or otherwise, but this Section will not prevent you from referring clients in good faith to other businesses, including competitors' businesses, that may be able to provide those clients with products or services not available from our business

(c) During your employment or engagement and for an uninterrupted period of 1 year after termination of your employment or engagement, regardless of the cause of termination, you will not, without our written consent, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, employ or seek to employ, or engage or seek to engage as an independent contractor, any person who, within the preceding 6 months, has been an employee or independent contractor of ours or any other SERENDIPITY LABS franchisee

(d) During your employment or engagement, you will not, without our written consent, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for

any business other than us located in the United States that, offers or that franchises or licenses others to offer, products or services that are the same as or substantially similar to products and services offered by us

(e) For 1 year after termination of his or her employment or engagement, regardless of the cause of termination, you will not, without our written consent, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business that offers, or that franchises or licenses others to offer, products or services that are the same as or substantially similar to the products or services that were or could have been offered by us when you were employed or engaged, and that operates (1) within our Territory, or (2) within the Territory of any other franchisee's business operating or in planning at the time of termination

2 You agree that we may, if we require in our discretion, reduce the scope of any term or subpart of any term in this Agreement without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any term or subpart so modified, that will be fully enforceable notwithstanding any other term or subpart of this Agreement

3 Covenants As Independent and As Conditions Precedent to Employment or Engagement Your covenants in Section 1 are independent of any other terms of this Agreement, and are conditions precedent to employment or engagement Any claim or cause of action against us, whether predicated on this Agreement or otherwise, will not be a defense to the enforcement by us of the covenants in Section 1

4 Covenants Concerning Company Property You agree that all our records, including records of our clients and all other records relating in any manner to our SERENDIPITY LABS Business, whether prepared by you or otherwise coming into your possession, are our exclusive property Additionally, you agree that all files, records, documents, drawings, specifications and similar items for our SERENDIPITY LABS Business, including all copies of those items, whether prepared by you or otherwise coming into your possession, will not be removed by you from our premises without our written consent Any records not at our premises will immediately be returned to us by you on termination of your employment or engagement, regardless of the cause of termination

5 Severability If a part of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, you agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement If an entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, the remaining covenants in this Agreement will continue in effect

6 Injunctive Relief We, in addition to other legal and equitable rights, will be entitled to temporary, preliminary or permanent injunctive relief, without bond, restraining your actual or threatened violation of any covenant in this Agreement

7 Attorneys' Fees In a legal action for damages, injunctive relief, the return of property or any other legal or equitable remedy, you agree to pay our reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses for the action

8 Governing Law This Agreement will be governed by the laws of the state in which our principal business office is located on the date of signing of this Agreement

9 Binding Effect This Agreement will be binding on the parties, and their heirs, executors, administrators, successors and assigns

10 Modification This Agreement may not be modified except in written agreement of at least equal formality signed by the parties

The undersigned agree to the terms of this Agreement

EMPLOYEE OR INDEPENDENT CONTRACTOR

_____

Date _____

COMPANY _____

Name _____

Title _____

Date _____

(Note. To be signed by each manager, each management employee or independent contractor, and each person from Company attending our initial training.)

EXHIBIT F

SAMPLE GENERAL RELEASE

GENERAL RELEASE

This GENERAL RELEASE is made and executed by _____, individually ("you"), as of _____ ("Effective Date")

WHEREAS, Serendipity Labs Franchise International, LLC, a Delaware limited liability company ("we") and you entered into a franchise agreement dated _____, and **DESCRIBE FACTS THAT APPLY AT TIME RELEASE IS TO BE SIGNED**

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are acknowledged, you agree as follows

You, for yourself and each of your past and present heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively "Releasor"), hereby release and forever discharge us and each of our predecessors, successors, affiliates, subsidiaries, assigns, officers, directors, shareholders, agents and employees, and their respective heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively "Releasees"), from, in respect of and in relation to any and all claims, demands, causes of action, suits, debts, obligations, sums of money, acts, omissions or refusals to act, damages, judgments and demands, of any kind whatsoever, joint or several, known or unknown, which against Releasees the Releasor ever had, now has or which Releasees hereinafter can, shall or may have, for, upon or by reason of any matter, cause or thing may whatsoever, through the Effective Date

{FOR CALIFORNIA RESIDENTS}

YOU ACKNOWLEDGE THAT YOU ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 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 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR "

YOU, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF YOUR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR {JURISDICTION(S) OF FRANCHISEE(S)' RESIDENCE(S) AND LOCATION(S) OF FRANCHISED UNIT(S)}

_____
Name, individually

STATE OF _____ §
§
COUNTY OF _____ §

I hereby certify that before me, a notary public, personally appeared **NAME** who made oath in due form of law that s/he was executing the foregoing General Release for the purposes therein contained

As witness, my hand and Notarial Seal on _____, 20__

_____
Notary Public
My Commission Expires

EXHIBIT G

OASIS PLATFORM SERVICES AGREEMENT

SERENDIPITY LABS, INC
OASIS® PLATFORM SERVICES AGREEMENT

Address For Notices to Customer

Customer Name {Franchisee Name}
Attention {Franchisee Signatory}
Address {Franchisee Address}

Address of Customer Site

Site Name
Attention
Address

Address for Notices to Serendipity Labs, Inc

Attention VP of Platform Services – Vinay Kantak
Address 700 Canal Street
Stamford, Connecticut 06902

Address for Billing & Payment

Attention Accounts Receivable
700 Canal Street
Stamford, Connecticut 06902

Serendipity Labs, Inc , a Delaware Corporation ("SLINC") and {Franchisee Name} ("Customer") hereby enter into this OASIS Platform Services Agreement (this "Agreement") as of {Effective Date} ("Effective Date")

Customer is the operator of a facility offering access to workspaces, meeting spaces and event spaces, along with related technology and business services to its end user clients ("Customer Site") SLINC has developed the OASIS Platform, an integrated system for the delivery and management of certain business and technology services, for use by SLINC affiliated locations and by Customer Sites Customer wishes to license the OASIS Platform from SLINC for use at a SLINC approved Customer Site, which license requires purchase of authorized equipment and third -party software as described herein

In witness whereof, Customer agrees to the terms and conditions contained in the Terms and Conditions, Appendices and Schedules attached to this Agreement which govern the use of the OASIS Platform and the acquisition or leasing of the equipment, including the following

Schedule A	Software Modules and Services Provided
Schedule B	Fees and Costs Payable to SLINC
Schedule C	Operational Support Services
Schedule D	Required Software Licenses and Authorized Equipment
Schedule E	Authorized Equipment Maintenance Obligations
Schedule F	Third -Party Participation Agreements

Appendix 1	OASIS Implementation Program (to be prepared for each Customer Site)
Appendix 2	OASIS Operational Support Program (to be prepared for each Customer Site)
Appendix 3	Project Timeline (to be prepared for each Customer Site)

SLINC

Serendipity Labs, Inc

By _____
Signature

John P Arenas
Print Name

_____
Title Chief Executive Officer

Customer

{_____}

By _____
Signature

_____
Print Name

_____
Title

TERMS AND CONDITIONS

1 Definitions

a Authorized Equipment means the computer hardware and other equipment to be leased or purchased by Customer pursuant to this Agreement from SLINC or its Preferred Providers as more particularly described in Schedule D

b Brand Agreement means any agreement pursuant to which Customer has been granted a franchise to operate a Lab by SLINC or its affiliates, or any management agreement which entitles Customer to operate any facility using the names or trademarks of SLINC, SLFI or any of their affiliates

c Lab means an authorized co-working, meeting and event facility operated by SLINC, Customer under the names or trademarks of SLINC,, or SLFI or any of its affiliates pursuant to a Brand Agreement

d OASIS Platform means the SLINC Software, Third -Party Software required to be used by Customer, as described more particularly in Schedule A

e Preferred Providers means third parties who provide Third -Party Software, Authorized Equipment or other Third -Party Services to Customer hereunder

f SLFI means Serendipity Labs Franchise International, LLC

g SLINC Software means the object code of the software developed or otherwise owned by SLINC to be provided to Customer hereunder as part of the OASIS Platform, as more particularly described in Schedule A

h Site or Customer Site means Customer's facility offering co-working, meeting and event accommodations and services, and related business support products and services as, approved by SLINC

i Third -Party Services means services to be provided to Customer by Preferred Providers hereunder

j Third -Party Software means the object code for the software developed or otherwise owned by third parties to be provided to Customer hereunder as part of the OASIS Platform, as more particularly described in Schedule A

k Operations Manuals means documentation made available to Customer and updated from time to time, which contains the standard procedures for the day-to-day operation of the OASIS Platform_

2 Products and Services

a OASIS Platform SLINC hereby grants to Customer a limited, revocable, non-exclusive license to use the SLINC Software listed on Schedule A, and a limited, revocable, non-exclusive license to connect the Third -Party Software listed on Schedule A to the OASIS Platform Certain Third -Party Software may be licensed by the Preferred Providers directly, or via sublicense from SLINC, subject to the terms and conditions of the applicable Third -Party Participation Agreements in Schedule F

b Implementation SLINC and the Preferred Providers, as applicable, shall provide to Customer the installation, implementation and testing services set forth in Schedule A in accordance with the terms set forth therein

c Operational Support Services SLINC and the Preferred Providers shall provide to Customer the operational support services for the OASIS Platform as set forth in Schedule C

d Hardware Purchase Customer agrees to purchase the Authorized Equipment set forth on Schedule D from SLINC or the Preferred Providers

e Hardware Maintenance Preferred Providers shall provide to Customer the maintenance services for the Authorized Equipment as set forth in Schedule E

f Third -Party Equipment and Services

i Third -Party Software and Authorized Equipment shall be provided by Preferred Providers who have been authorized by SLINC to provide such products or services SLINC or its affiliates has negotiated (and may in the future negotiate) terms with Preferred Providers for the purchase or lease of equipment or the provision of software or services (such as site survey, implementation, installation or support services)

ii In order to obtain such products or services from Preferred Providers, Customer must agree to the terms and conditions provided by such Preferred Providers, enter into agreements with such Preferred Providers, and/or execute joinders to agreements with such Preferred Providers negotiated by SLINC or one of its affiliates ("Third -Party Participation Agreements") Customer shall be solely responsible for compliance with all terms and conditions provided by the Preferred Providers as set forth in Schedule F and any Third -Party Participation Agreements executed or joined by Customer, or any terms and conditions provided to Customer in the future

iii Customer's use of certain Authorized Equipment and Services shall be governed by the form of agreements attached in Schedule F

iv Third -Party Providers shall be solely responsible for the performance of all Third -Party Software and Authorized Equipment and for compliance with any related licenses, Third -Party Agreements, and terms of use SLINC DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES IN REGARD TO THE PREFERRED PROVIDERS OR THEIR PRODUCTS OR SERVICES, AND SHALL HAVE NO LIABILITY TO CUSTOMER FOR THE PERFORMANCE OR USE OF PRODUCTS OR SERVICES PROVIDED BY PREFERRED PROVIDERS, OR THEIR PERFORMANCE OR FAILURE TO PERFORM OF ANY OF THEIR OBLIGATIONS

v Customer acknowledges that SLINC or its affiliates may derive revenues and/or other material consideration from Customer's use or purchase of Authorized Equipment or Third -Party Software or Third -Party Services

vi Customer recognizes that compliance with SLINC software standards, technical architecture operational protocols and support processes requires that any changes to the Authorized Equipment and Preferred Provider agreements must be approved in advance by SLINC

(a) Accordingly, Customer must purchase, install and use certain, equipment, business services, supplies, materials, and other items used or offered for sale at the Customer Site from SLINC, a SLINC Affiliate or from third -party approved Preferred Suppliers Customer acknowledges that SLINC and SLINC Affiliates may negotiate purchase arrangements with Preferred Providers Customer agrees that in undertaking such negotiations, SLINC (or, a SLINC Affiliate, as applicable) is not acting as your fiduciary, agent or intermediary, or on your behalf, and that SLINC (or a SLINC Affiliate, as applicable) may receive rebates and other material consideration based on your purchases from Preferred Providers, without liability to Customer,

(b) To the extent that SLINC has identified one or more Preferred Providers (including itself or its Affiliates) for any item, Customer shall purchase the item only from the Preferred Provider, unless Customer has received SLINC's written permission to purchase the item from a different supplier according to the procedures stated in this section 2 f (vi),

(c) To request SLINC's written approval of a supplier, Customer or the proposed supplier shall submit to SLINC a written request for written approval, and shall provide SLINC or its representatives the opportunity to inspect the supplier's products, services and facilities SLINC shall have the right to obtain from the proposed supplier, samples of

products or to have access to, receive, evaluate and test services that may be offered, such as software, computer hardware, telecommunications, data and other computer services A charge not to exceed the reasonable cost of the inspection and testing shall be paid by Customer or the supplier to SLINC Within 30 days of receiving a supplier approval request, SLINC will provide written notice to Customer of its decision to approve the request, deny the request, or to propose a plan for inspection and testing and a non-binding, preliminary estimate of costs of such a review Customer shall not purchase from any supplier until and unless the supplier has been approved in writing by SLINC Nothing in this section 2 f (vi) shall be construed to require SLINC to approve any particular supplier

(d) SLINC may, at its option, re-inspect from time to time the products, services and facilities of any approved supplier In the event the supplier fails to continue to meet any of SLINC's then-current standards, after receiving written notice and an opportunity to cure the failure, SLINC may revoke its written approval and require Customer to revert to use of a Preferred Supplier as soon as practicable

g Changes SLINC shall have the right to replace or supplement any part of the OASIS Platform as necessary to address intellectual property issues, performance issues, or as otherwise determined by SLINC SLINC may change the specifications therefore as reasonably required by Third -Party Providers For material changes, SLINC will communicate the reason for the change and time frame for complying with the change, and will assist Customer with coordinating and implementing the change

3 Costs and Payment

a OASIS Platform Customer agrees to pay SLINC, as applicable, for 1 Installation, Implementation Testing, 2 Training 3 Project Management and Coordination, 4 Product Design Customization Services, 5 Operational Support Services and costs, in accordance with the terms set forth in Schedule B

b Equipment Customer agrees to pay SLINC or the Preferred Providers, as applicable, the up front and continuing costs for the Authorized Equipment as set forth in Schedule B

c Services Customer agrees to pay SLINC or the Preferred Providers, as applicable, the up front and continuing costs for software maintenance, hardware maintenance and other services as set forth in any Schedule attached hereto

d Shipping and Handling Customer shall be responsible for all actual transportation, handling, rigging and insurance charges from the shipping point to destination charged by the Preferred Providers or incurred by SLINC relating to work at or deliveries to the Customer Site

e Travel Customer shall be responsible for all pre-approved travel and living expenses incurred by SLINC or the Preferred Providers in the installation, implementation and support of the Authorized Hardware or OASIS Platform

f Additional Services Any services provided by SLINC to Customer at Customer's request in addition to the services set forth in any Schedule shall be billed to Customer by SLINC at its then-current rates or as otherwise agreed in writing by SLINC and Customer and shall be due and payable by Customer within 30 days from the date of invoice

g Changes All Authorized Equipment and Third -Party Software is subject to availability, and the price is subject to change by the Preferred Providers pursuant to Customer's negotiated agreement with the Preferred Providers Customer shall be responsible for any pricing changes necessitated by changes in or upgrades to Third -Party Software or Preferred Providers pursuant to Customer's negotiated agreement with the Preferred Providers

h Taxes Customers shall be solely reasonable for all withholding, sales, use, property, excise, gross receipts, consumption, VAT or other taxes related to Customer's acquisition or use of any products or services hereunder (collectively, "Taxes"), not including any tax on SLINC's or the Preferred Providers' income Taxes shall be in addition to amounts payable to SLINC or Preferred Providers hereunder, and Customer shall promptly reimburse SLINC for any such Taxes SLINC or any Preferred Provider is required to pay

i Subcontractors SLINC may subcontract any of its obligations hereunder and Customer agrees to pay SLINC invoices rendered for work by such subcontractors in accordance with the terms hereof

j Invoice/Late Payments Customer shall pay all invoices received from SLINC for Preferred Providers or their subcontractors within Net 30 days after date of invoice Late payments shall accrue interest at the lower of 1% per month or the highest rate allowed by applicable law

4 Customer Obligations

a Access to Facilities Customer shall cooperate with SLINC and its affiliates, subsidiaries and Preferred Providers as necessary or requested to allow each of them to perform hereunder, including providing access to the Customer Site, as needed SLINC shall give Customer reasonable notice, of not less than 1 business day, when access is required to enter into and perform work on the Customer Site, except in the event of emergency repairs

b Infrastructure Customer shall be responsible, at its sole cost and expense for obtaining and maintaining all infrastructure and other supporting hardware and services for the installation and operation of the Authorized Equipment and the OASIS Platform in accordance with specifications provided by SLINC, as updated from time to time

5 Conditions of Use

a Credentials SLINC shall provide Customer with credentials for use or access to certain SLINC Software and Third -Party Software Customer shall be solely responsible for safeguarding such credentials, for the loss of such credentials, and for any usage by any person of such credentials to access or use any of the OASIS Platform and for any fees or costs incurred as a result, whether or not authorized by Customer

b Authorized Use

i Customer may install and use the SLINC Software and Third -Party Software solely on the Authorized Equipment and infrastructure meeting specifications provided by SLINC

ii Customer may install and use the SLINC Software only at its authorized Customer Site locations as listed on the cover page to this Agreement

iii Customer may use the OASIS Platform solely in regard to its operation and management of an approved Customer Site, and for the use and benefit of its end user clients ("End Users") Customer may retain one additional copy for backup and archival use Customer may not authorize or license the use of or provide access to the OASIS Platform to any other third party

iv Except as authorized hereunder, Customer may not reproduce, reverse assemble, reverse compile or otherwise attempt to reverse engineer any of the SLINC Software or Third -Party Software

c Limitation No legal or equitable title to or ownership of any of the SLINC Software or any of the Third -Party Software or any proprietary rights therein are transferred to Customer hereunder other than the limited software license granted herein Customer shall not remove or obscure any copyright, trademark or confidentiality notices or marks affixed to any Software

d Reservation of Rights SLINC reserves the right to temporarily bar any End User's access to the OASIS Platform and/or to temporarily or permanently remove any or all data or other files that are in violation of the SLINC terms of use or Third -Party Software terms of use, at its discretion

6 Term and Termination

a Term The initial Term of this Agreement shall be 5 years commencing from the Effective Date This agreement may be renewed annually thereafter upon mutual written consent of Customer and SLINC

b Termination for cause SLINC may terminate this Agreement (i) upon 30 days' written notice to Customer following any breach by Customer of any of its obligations hereunder, if such breach is not fully cured within such 30 day period

Customer may terminate this Agreement upon 30 days' written notice to SLINC following any material breach by SLINC of any of its obligations hereunder, if such breach is not cured within such 30 day period

c Results of Termination Upon any termination of this Agreement, Customer shall immediately cease all use of the SLINC Software and promptly return, uninstall or destroy any and all copies of and administrative credentials to use the SLINC Software, and disconnect all Third -Party Software and any related Authorized Equipment from the OASIS Platform Within 30 business days following such termination, Customer shall certify such actions in writing to SLINC SLINC shall have no further obligation to provide any maintenance or other services to Customer following any termination of this Agreement ~~Upon Termination by Customer, except a Termination for Convenience, SLINC shall refund any pre-paid OASIS Operational Support Fees from the time of Termination and Customer shall cease all use of the services through the prepaid timeframe~~

d Survival All representations, promises, warranties and obligations in Sections 7, 8 9 and 10 of this Agreement shall survive the termination of this Agreement

e Interim Remedies In lieu of termination of this Agreement pursuant to Section 6(b), SLINC may instead exercise one or more of the following interim remedies (each an "Interim Remedy") for such period as it may determine (i) disable all or any part of the OASIS Platform or suspend any services provided hereunder, (ii) charge Customer additional fees for any expenses incurred by SLINC in relation to such default, and/or (iii) increase the fees payable by Customer hereunder Following the imposition of any Interim Remedy, SLINC shall reserve its right to terminate the Agreement at any time, whether or not Customer subsequently cures its default If Customer cures any default, SLINC may, in its discretion, either terminate the Agreement, or cease its imposition of Interim Remedies and continue the term hereunder

f Confidentiality

i "Confidential Information" means any information or data of a confidential nature of either party or their affiliates in oral, electronic or written form that the disclosing party identifies as confidential or the receiving party has reason to know is proprietary or confidential and that is disclosed by a party in connection with this Agreement or that the receiving party may have access to in connection with this Agreement, including but not limited to the terms and conditions of this Agreement

ii Each party anticipates that it may be necessary to provide access to Confidential Information to the other party in the performance of this Agreement

iii Confidential Information does not include information that (a) becomes known to the public through no act of the receiving party, (b) was known to the receiving party prior to disclosure, (c) is made known to the receiving party by a third party having the right to disclose it, or (d) is independently developed by personnel of the receiving party who have not had access to such information

iv Each party agrees that it will maintain the confidentiality of the other party's Confidential Information for a period of ~~five (5)~~ years following the date of disclosure and will do so in a manner at least as protective as it maintains its own Confidential Information of like kind but in no event with less than a reasonable degree of care Disclosures of the other party's Confidential Information will be restricted (i) to those individuals with a need to know such Confidential Information in connection with this Agreement, and (ii) to a party's business, legal and financial advisors bound by a confidentiality obligation Each party agrees not to use any Confidential Information of the other party for any purpose other than the business purposes contemplated by this Agreement At the written request of a party, the other party will either return, or certify the destruction of, such party's Confidential Information

v If a receiving party is required by law, rule or regulation, or requested in any judicial or administrative proceeding or by any governmental or regulatory authority, to disclose Confidential Information of the other party, the receiving party will, if allowed, give the disclosing party prompt notice of such request so that the disclosing party may seek an appropriate protective order or similar protective measure and will use reasonable efforts to obtain confidential treatment of the Confidential Information so disclosed

7 Warranties/Disclaimers

a LIMITED WARRANTY SLINC warrants that the OASIS Platform will operate in substantial accordance with its specifications and documentation Customer's sole remedy for breach of such warranty shall be provision by SLINC of the support services set forth in any Schedule

b NON-INFRINGEMENT WARRANTY SLINC warrants that the use of the SLINC Software by Customer pursuant to this Agreement will not infringe on any intellectual property rights of any third party In the event of any breach of such warranty, SLINC will (1) obtain the right for Customer to continue to use the SLINC Software or (2) modify the SLINC Software to avoid such infringement while providing substantially equivalent functionality

c THIRD -PARTY PRODUCTS AND SERVICES SLINC MAKES NO WARRANTIES AS TO ANY THIRD -PARTY SOFTWARE, AUTHORIZED EQUIPMENT OR THIRD -PARTY SERVICES THE SOLE WARRANTIES PROVIDED TO CUSTOMER, IF ANY, WITH RESPECT TO THIRD -PARTY SOFTWARE, AUTHORIZED EQUIPMENT OR THIRD -PARTY SERVICES SHALL BE AS SET FORTH IN ANY THIRD -PARTY AGREEMENT

d ASSISTANCE If Customer notifies SLINC of any breach of any warranty provided by a Preferred Provider, SLINC shall, upon Customer's request, provide reasonable cooperation and assistance in notifying such Preferred Provider and in urging such Preferred Provider to correct such condition

e LIMITATIONS SLINC SHALL NOT BE RESPONSIBLE FOR ANY FAILURE OF THE OASIS PLATFORM OR ANY AUTHORIZED EQUIPMENT TO THE EXTENT CAUSED BY ITS IMPROPER IMPLEMENTATION, USE, ABUSE, MODIFICATION, ENHANCEMENT, OR THE INSTALLATION OR USE OF ANY SOFTWARE, HARDWARE, OR SYSTEM WHICH IS NOT AUTHORIZED BY SLINC OR INCLUDED IN THE INFRASTRUCTURE AND USE SPECIFICATIONS PROVIDED BY SLINC OR THE FAILURE OF CUSTOMER TO MAINTAIN ITS HARDWARE IN ACCORDANCE WITH THE OPERATIONS MANUALS SLINC MAY IN ITS DISCRETION REPAIR ANY SUCH PROBLEMS AT CUSTOMER'S COST AND EXPENSE

f DISCLAIMER EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION, SLINC DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE OASIS

PLATFORM, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE SLINC DOES NOT WARRANT THAT THE OASIS PLATFORM OR THE SERVICES PROVIDED HEREUNDER WILL BE UNINTERRUPTED OR ERROR-FREE THE PROVISIONS OF THIS SECTION STATE THE ENTIRE LIABILITY OF SLINC AND THE SOLE AND EXCLUSIVE REMEDIES OF CUSTOMER FOR ANY BREACH OF ANY WARRANTY FOR THE OASIS PLATFORM OR SERVICES PROVIDED PURSUANT TO THIS AGREEMENT

8 Infringement Claims SLINC shall indemnify and hold Customer harmless from any claim that the SLINC Software infringes any third -party intellectual property rights SLINC shall not be responsible for any such infringement to the extent caused by the use of the SLINC Software on other than hardware and in conjunction with software and systems approved by SLINC SLINC makes no representations regarding any Authorized Equipment or Third -Party Software, and Customer's remedies for any violation of any third -party intellectual property rights by such systems shall be limited to remedies provided by the applicable Preferred Providers

9 Limitations of Liability and Exclusions of Damages

a THE REMEDIES PROVIDED IN THIS AGREEMENT CONSTITUTE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES EXCEPT FOR SLINC'S OBLIGATIONS UNDER SECTIONS 9 OR 10(B) IN NO EVENT SHALL SLINC BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF USE, LOST PROFITS OR LOSS OF DATA OR INFORMATION OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT SLINC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE EXCEPT FOR SLINC'S OBLIGATIONS UNDER SECTIONS 9 OR 10(B) IN NO EVENT SHALL SLINC's LIABILITY TO CUSTOMER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE AMOUNTS ACTUALLY PAID BY CUSTOMER TO SLINC UNDER THIS AGREEMENT DURING THE 12 MONTH PERIOD IMMEDIATELY PRECEDING THE TIME THAT THE CAUSE OF ACTION GIVING RISE TO SUCH LIABILITY FIRST ACCRUES

b CUSTOMER'S USE OF THE OASIS PLATFORM, INCLUDING, BUT NOT LIMITED TO, THE USE, SAVING, STORING OR BACKUP OF CUSTOMER'S DATA AND OTHER FILES RELATING TO CUSTOMER'S OPERATION, AND/OR CERTAIN OTHER CUSTOMER DATA AND FILES AS MAY BE UTILIZED ON THE OASIS PLATFORM IS AT CUSTOMER'S SOLE RISK, INCLUDING WITH REGARD TO SERVICE INTERRUPTIONS, FAILURES, AND DATA TRANSMISSION SLINC IS NOT RESPONSIBLE FOR INCORRECT OR INACCURATE ENTRY INFORMATION, OR DESTROYED, IMPAIRED OR LOST DATA

c ELECTRONIC COMMUNICATIONS PRIVACY ACT NOTICE (18 U S C §§ 2701–2711) SLINC MAKES NO GUARANTY OF CONFIDENTIALITY OR PRIVACY OF ANY DATA OR OTHER FILES TRANSMITTED ON OR THROUGH THE OASIS PLATFORM SLINC WILL NOT BE LIABLE FOR THE PRIVACY OF ANY DATA OR OTHER FILES TRANSMITTED ON OR THROUGH THE OASIS PLATFORM

10 Miscellaneous

a Limitations on Actions No action, regardless of form, arising out of this Agreement, other than an action for nonpayment or for billing errors, may be brought by either party more than one year after the cause of action has occurred

b Third -Party Claims Customer shall indemnify, defend and hold SLINC and its officers, directors, agents and employees harmless from and against any expense (including reasonable attorneys' fees), loss, claim, damage or penalty associated with any third -party claim to the extent arising out of or relating to (1) any breach by Customer of its obligations under this Agreement or any agreement with

a Preferred Provider or (2) any negligence or misconduct by Customer in its performance of this Agreement SLINC shall indemnify, defend and hold Customer and its officers, directors, agents and employees harmless from and against any expense (including reasonable attorneys' fees), loss, claim, damage or penalty associated with any third -party claim to the extent arising out of or relating to (1) any breach by SLINC of its obligations under this Agreement or (2) any negligence or misconduct by SLINC in its performance of this Agreement

c Compliance with Laws Each party shall comply in all respects with all applicable legal requirements governing the duties, obligations, and business practices of that party and shall obtain any permits or licenses necessary for its operations Neither party shall take any action in violation of any applicable legal requirement that could result in liability being imposed on the other party

d Insurance SLINC acknowledges it will maintain the following minimum levels of insurance coverage at all times while this Agreement is in effect

-Workers' Comp $500k of employer's liability

-General Liability $1M per occurrence, $2M Aggregate

-Cyber Liability $1M per occurrence

SLINC will also ensure its subcontractors maintain the insurance coverages specified above

e Notices Except as otherwise specified herein, all notices, requests, demands or communications required hereunder shall be in writing, delivered personally or sent by first class U S mail or by a nationally reputable overnight courier service, postage and other fees prepaid, to Customer and SLINC at the addresses first set forth above (or at such other addresses as shall be given in writing by either of the parties to the other in accordance with this Section) All notices, requests, demands or communications shall be deemed effective upon delivery as shown by relevant records of the deliverer

f Entire Agreement/Prior Agreements This Agreement and the Exhibits and Schedules attached hereto constitute the entire understanding between Customer and SLINC with respect to the matters contemplated herein and, except for the Brand Agreements, supersede any and all prior or contemporaneous oral or written communications This Agreement (and the Schedules) may not be modified or amended, or any provision hereof waived, except in a written agreement signed by SLINC and Customer Any such waiver shall be effective only in the specific instance and for the purpose stated in such writing

g Interpretation In the event of any conflict between the terms of this Agreement and the terms of the attached Schedules, the terms of the attached Schedules shall control In the event of any conflict between the terms of this Agreement or the Operations Manuals and the terms of the Brand Agreements, the terms of the Brand Agreements shall control

h Force Majeure Neither SLINC nor any Preferred Provider shall be responsible for delays or failures in performance hereunder resulting from any act of God, fire, flood, lightning strikes, tornadoes, hurricanes, earthquakes or other disasters, riots, civil commotion, terrorism, acts of war, labor disputes, strikes, lockouts, epidemics, governmental regulations imposed after the fact, network failure, communication line, power, air conditioning or humidity control failures, or any other occurrence beyond their reasonable control

i Severability If any provision hereof is found invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement shall remain valid and enforceable according to its terms

j No Joint Venture Nothing contained herein shall be deemed or construed as creating a joint venture or partnership between SLINC and Customer Neither party is, by virtue of this Agreement, authorized as an agent or legal representative of the other

k Assignment This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns SLINC may assign or transfer this Agreement and/or any of its rights or obligations hereunder to any parent, subsidiary or affiliated entity or any entity which acquires all or substantially all of SLINC's business or assets ("Agreement Assignment") Notwithstanding the forgoing, SLINC may not make an Agreement Assignment to a Direct Competitor of Customer without Customer's prior written consent, which consent may be withheld in Customer's discretion Customer may not assign or transfer this Agreement or any interest herein without SLINC's prior written consent, which consent may be withheld in SLINC's discretion

l Counterparts This Agreement may be executed in one or more counterparts each of which shall constitute one and the same instrument

m Applicable Law, Consent to Jurisdiction, Equitable Relief and Waiver of Jury Trial

i This Agreement shall be governed by, construed, interpreted and enforced in accordance with the laws of the State of Connecticut Any claim, suit, action or proceeding, brought by either party arising out of or relating to this Agreement shall be submitted for adjudication exclusively to the U S District Court for the District of Connecticut If venue is rejected by such court, then any litigation arising out of or related to this Agreement will submitted to and resolved exclusively by a court of competent jurisdiction in Fairfield County, Connecticut Each party (i) waives any objection that such court is not a convenient forum, and (ii) consents to the personal jurisdiction of such court

ii Each party's remedy at law, including monetary damages, for any breach or threatened breach of this Agreement which relates to a party's obligation to act or refrain from acting may be inadequate and cause irreparable harm to such party In addition to any available remedy at law, each party may seek equitable relief in the form of specific enforcement, or a temporary or permanent injunction, without the need for posting a bond or other surety

iii Each party hereby irrevocably waives its right to a jury trial in any matter related to this Agreëement

n Attorneys' Fees The prevailing party to any dispute shall be entitled to recover reasonable attorneys' and paralegals' fees (for negotiations, trials, appeals and collection efforts) and court costs incurred in connection therewith in addition to any other relief to which such party may be entitled The prevailing party shall be the party that prevails on its claim whether or not an award or judgment is entered in its favor

SLINC	**Customer.**
Serendipity Labs, Inc	Name of Customer _____
By _____	By _____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Print Title	Print Title

SCHEDULE A

SOFTWARE MODULES AND SERVICES PROVIDED

1 OASIS Platform

a SLINC Software

OASIS Service Integration and Provisioning Software that interconnects two or more of the following systems/services, unless marked as not in contract (NIC)

- ✓ Physical Access Control
- ✓ Printing/Copying/Document Management Systems
- ✓ VOIP Telephone Service and Call Accounting
- ✓ Member Management and Point Of Sale System
- ✓ Event Management and Provisioning
- ✓ Event Registration
- ✓ Member Profile and Credential Management
- ✓ Credit Card Authorization & Settlement
- ✓ High Speed Internet and ~~WiFi~~**Wi-Fi** Security and Surveillance
- ✓ Client Relationship Management and Contact Management
- ✓ Reservation and Scheduling System
- ✓ Digital Signage System Enterprise Intranet
- ✓ Web Content Management

b Third -Party Software

- ✓ Physical Access Control
- ✓ Printing/Copying/Document Management Systems
- ✓ VOIP Telephone Service and Call Accounting
- ✓ Member Management and Point Of Sale System
- ✓ Event Management and Provisioning
- ✓ Event Registration
- ✓ Member Profile and Credential Management
- ✓ Credit Card Authorization & Settlement
- ✓ High Speed Internet and ~~WiFi~~**Wi-Fi**
- ✓ Security and Surveillance
- ✓ Client Relationship Management and Contact Management
- ✓ Reservation and Scheduling System
- ✓ Digital Signage System
- ✓ Enterprise Intranet
- ✓ Web Content Management

2 Training Documentation

a Implementation

- Site Analysis
- Project Plan
- Installation and Implementation Guide
- Operations Guides

b Training Manuals

- Training Material
- Proprietary Software User Guide(s)
- Proprietary Software On-line Training Materials

3 Training SLINC shall provide the following training services to Customer Prior to use of the OASIS Platform, Customer shall participate in the training and become proficient in the use of the OASIS Platform to SLINC's reasonable satisfaction

a OASIS Implementation Planning Workshop SLINC conducts implementation training by telephone or in-person sessions conducted in the Stamford, Connecticut SERENDIPITY LABS Business This implementation training is designed to provide the Site's management personnel with the skills necessary to operate, train employees and plan for implementation of the OASIS Platform The Customer Site's Manager and other management personnel are is required to participate in this training prior to implementation of the OASIS Platform

b Site Staff Training The OASIS Platform currently uses self-guided step-by-step Operations Manuals to be used by the Customer Site's employees to become proficient in the OASIS Platform's functionality Customer is responsible for ensuring that all of its employees who have responsibilities related to the daily operation of the Customer Site will be trained in the appropriate modules prior to the implementation of the OASIS Platform

c Proficiency to be Demonstrated The Customer Site's Manager shall be trained in the OASIS Platform's operations procedures prior to implementation, or in the case of a new Manager shall complete training within 60 days of assuming the Manager position, as the case may be All of the Customer Site's employees must successfully complete training as a prerequisite to approval by SLINC for the implementation of the OASIS Platform

4 Implementation SLINC will provide one or more on-site implementation support personnel to Customer The number and type of personnel will be determined by SLINC based upon the size and type of the Customer Site Such personnel will

(i) work with the Customer Site's management in advance of on-site implementation to confirm software and hardware settings, including the verification of the proper functioning of all cloud-based modules and components,

(ii) provide support to the Customer Site's management in assessing readiness for the implementation and testing processes,

(iii) work with the Customer Site's management to refine the use of the OASIS Platform to the Customer Site's specific requirements as determined by SLINC in accordance with its standards,

(iv) support the Customer Site's management in its and its staff's use of the OASIS Platform,

(v) work with the Customer Site's management to procure all necessary tools for the implementation of the OASIS Platform (i e , Authorized Equipment, Third -Party Software, documentation, etc),

(vi) install, test and approve the installation of equipment meeting the requirements of the Customer Site, SLINC and the manufacturer of the Authorized Equipment,

(vii) work with third -party vendors to meet any unforeseen technical criteria for interface communications, i e , communication circuits, building security systems

(viii) administer a trial run of key use-cases of the OASIS Platform to verify the configuration, and to verify that the Customer Site's management and staff properly operate the systems

(ix) verify that Customer Site's management and staff have successfully completed the OASIS Platform on-site training,

(x) identify and address any operational conflicts that involve the OASIS Platform, and

(xi) formulate and present new recommendations that maximize the efficient use of the OASIS Platform

5 Installation SLINC will coordinate the installation of the Authorized Equipment at the Customer Site

a Customer or SLINC, in SLINC's discretion, will obtain and maintain throughout the term hereof, at Customer's cost, the necessary communication equipment and services such other equipment as is reasonably necessary for the operation of the Authorized Equipment as set forth in SLINC's infrastructure requirements set forth below Customer shall maintain for the term of this Agreement, at Customer's cost, all such equipment and services Specifications may be changed from time to time to accommodate upgrades, enhancements, and changes in technology For material changes to specifications, SLINC will communicate the reason for the change, timeframe for complying with the change and will assist Customer with coordinating and implementing the change

b Customer shall make available, at its own expense, 5 business days prior to the agreed upon installation date a location that is suitable for installation of the Authorized Equipment as approved by SLINC

c SLINC shall use commercially reasonable efforts to meet the agreed implementation schedule, but shall not be responsible for any delays caused by Preferred Providers, third parties, or circumstances beyond its control

6 Software Installation SLINC or its contractors will install the OASIS Platform software and its components as necessary to function on Authorized Equipment on the agreed upon installation date The OASIS Platform may be installed in phases such that one or more Modules may be installed and/or operational prior to installation of the other Modules Installation shall be deemed complete upon certification by the installer and upon acknowledgment by Customer's representative, of the satisfactory completion of Systems Acceptance Testing, indicating the Software has been properly installed and tested using agreed test cases

7 Third -Party Interface Testing and Connectivity If Customer requires the implementation of any interface to the OASIS Platform for connectivity to third -party (non-OASIS Platform) systems, Customer shall be responsible for any fees assessed by the third -party vendors to design, develop, test and implement the necessary connectivity In addition, Customer will be required to make arrangements with any such third -party vendor to provide the necessary assistance required to test and to implement the interface connectivity

8 Implementation Program SLINC will implement OASIS in accordance with the attached Appendix-1-OASIS Implementation Program

SLINC	**Customer**
Serendipity Labs, Inc	{_____}
By _____	By _____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Print Title	Print Title

SCHEDULE B

FEES AND COSTS PAYABLE TO SLINC

1 Setup Fee

Customer shall pay SLINC a one-time OASIS ~~setup fee~~**Setup Fee** of ~~$10,000 for a Standard Lab or $15,000 for a Hub Lab, plus $100 per user for OASIS enterprise cloud services setup,~~**15,000** for initial installation, implementation and testing, as described in Schedule A and Appendix 1-OASIS Implementation Program The estimated project schedule is attached as Appendix 3-Project Timeline

2 Ongoing Operational Support Fees

Customer shall pay SLINC a monthly OASIS Operational Support Fee of ~~$1,250,~~**1,000,** which amount may be increased by SLINC on 30 days' written notice as OASIS Platform services expand, or which amount may be increased or decreased annually by SLINC on 30 days' written notice to reflect increases or decreases in internal costs and/or in prices from Preferred Providers

Customer shall pay SLINC a monthly fee of $25-$50 per user for OASIS cloud services

3 Fees for Authorized Equipment and Software purchased through SLINC

In the event authorized equipment or software is purchased by Customer through SLINC, Customer shall pay SLINC any applicable fees in accordance with the participation agreements or sublicense agreements described in Schedule F

4 Costs of Training and Training Materials

The cost of training the Customer Site's Manager and Customer Site team is included in the OASIS ~~setup fee~~**Setup Fee** Additional costs for training Customer's replacement managers or replacement Customer Site team personnel will be invoiced to Customer prior to such training dates at SLINC's (or its designee's) then-current rates

5 Costs of Project Management and Coordination

SLINC and Customer each shall designate a qualified project manager for the purpose of coordination The cost of providing the services of SLINC's project manager to Customer is included in the OASIS ~~setup fee~~**Setup Fee** If Customer does not appoint a qualified project manager, additional fees for project management shall apply

6 Costs of Product Design Services

In the event Customer requests customization to the OASIS Platform, SLINC shall, upon approval of such customization by SLINC or SLFI, and mutual agreement, provide product management, customization services along with recommendations on operational best practices and experience design to Customer through initial installation, implementation and testing at the Customer Site, at the rate of $1,000 per day

7 Costs of Travel/Rescheduling

Customer shall pay for or promptly reimburse per standard payment terms, any pre-approved out-of-pocket travel expenses actually incurred by SLINC or any vendor hereunder (or their designees), including without limitation

a round-trip airfare (due to frequent scheduling changes, SLINC is often unable to book airline tickets more than one week in advance of travel),
b room accommodations (if the Site cannot provide accommodations, comparable accommodations will be utilized),
c meals, transportation, tips, taxes and miscellaneous expenses (phone, ~~internet~~**Internet**)

Promptly following SLINC's providing of the Services, an invoice will be submitted to Customer for SLINC's representatives' out-of-pocket expenses, any rescheduling fee, and any additional travel expenses as set forth above, which invoice shall be payable within 30 days of Customer's receipt of same

8 Other Costs and Terms

a SLINC requires that its representatives be on-site for Customer's implementation of the OASIS Platform Once SLINC's representatives are on-site, any delays in Customer's implementation will result in additional expense to Customer If SLINC's representatives stay at the Site beyond the number of person-days to be provided as set forth above, whether on account of a delayed opening caused by Customer or at Customer's request, Customer will be required to pay SLINC (or its designee) an additional fee, currently $700 per representative per day for each such additional day, plus such representatives' additional pre-approved travel expenses If a delay in Customer's implementation of the OASIS Platform caused solely by Customer necessitates the departure and rescheduling of SLINC's representatives, in addition to the fee set forth above, Customer will be required to pay a rescheduling fee, currently $1,000, plus such representatives' additional pre-approved travel expenses The rescheduled date will be determined based on the needs of the Site as well as the availability of SLINC's representatives

b If Customer attaches or uses third -party equipment and/or interfaces with the Authorized Equipment listed on Schedule D which have not been certified or approved by SLINC as meeting SLINC's specifications or installs other third -party non-SLINC proprietary software which has not been certified or approved by SLINC as meeting SLINC's specifications on the equipment, the OASIS Platform may need to be reconfigured, and the entire cost of the reconfiguration shall be borne by Customer

c Promptly following SLINC's providing of the Services, an invoice will be submitted to Customer for SLINC's representatives' out-of-pocket expenses, , any rescheduling fee, and any additional travel expenses as set forth above, which invoice shall be payable within 30 days of Customer's receipt of same

d Payments will be calculated from the receipt date of the Authorized Equipment to the Customer Site

SLINC.	**Customer.**
Serendipity Labs, Inc	{Customer}
By _____ Signature	By _____ Signature
_____ Print Name	_____ Print Name
_____ Print Title	_____ Print Title

SCHEDULE C

OPERATIONAL SUPPORT SERVICES

1 General SLINC shall, during the term of the agreement, provide Customer with ongoing operational support services as described in this Schedule C and in Appendix 2-OASIS Operational Support Program, which generally include centralized help desk support for the SLINC Software, and first level trouble-shooting and configuration support for any Third -Party Software and Hardware connected to the OASIS Platform, and remote diagnostic and provisioning services

2 Provisioning, Activation and Deactivation of Services SLINC will provide remote provisioning, either through automated systems or manual intervention, as more particularly described in the attached Appendix 1-OASIS Implementation Program

3 Software Maintenance If Customer has paid all software maintenance and other fees, SLINC shall provide Customer with any standard enhancements (including bug fixes), improvements, updates, and/or modifications to the SLINC Software generally made available by SLINC to its Customers without separate charge and shall be included in the SLINC Software subject to the terms of use thereof SLINC may charge additional fees for major upgrades or enhancements that provide significant additional functionality Any issues caused by Customer's use or installation of any third -party software not specified or approved by SLINC is not covered hereunder Any services provided by SLINC in relation to such issues shall be billed to Customer at SLINC's then-current rates

4 Cooperation Customer shall provide SLINC with all information, data and other required materials necessary for SLINC to reproduce any problem identified by Customer

5 Expenses If SLINC's personnel incur pre-approved travel, lodging, meal, or any other pre-approved out-of-pocket expenses in furnishing the maintenance services hereunder, Customer shall pay for or promptly reimburse SLINC for same, subject to reasonable documentation of such expenses

6 Exclusions SLINC's obligations hereunder shall not apply to any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any SLINC Software or Third -Party Software by Customer or any third person or entity other than SLINC, (ii) any software program, hardware, firmware, peripheral or communication device used in connection with the OASIS Platform which was not approved in advance in writing by SLINC, (iii) the failure of Customer to follow the most current instructions promulgated by SLINC or any third -party vendor from time to time with respect to the proper use of the OASIS Platform, (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard SLINC procedures, (v) third parties or circumstances beyond SLINC's control, and/or (vi) the negligence of Customer or any other third person or entity operating on behalf of Customer Any corrections performed by SLINC for any such errors, difficulties, or defects shall be fixed, in SLINC's discretion, at SLINC's then current time and material charges SLINC shall be under no obligation, however, to fix any such Customer or externally caused errors, defects or problems

8 Help Desk SLINC will provide, in accordance with its customary business practices and procedures, telephone customer service support, for the purposes of receiving reports from Customer regarding software malfunctions subject to maintenance hereunder SLINC may attempt, to the extent practical, to resolve any reported problems by telephone or by accessing Customer's equipment remotely

9 On-Site Services In the event SLINC is unable to resolve any reported problem by telephone or through remote access, SLINC will, at the request of Customer, dispatch the appropriate service personnel to the Customer Site for the purpose of providing maintenance services hereunder at SLINC's then-current rates

10 Customer Responsibilities Customer shall maintain on its staff at all times sufficient personnel who are trained in and knowledgeable about using the OASIS Platform in a professional, efficient and competent manner Customer is responsible for maintaining, when applicable, duplicate or back-up copies of its software, data files and documentation SLINC shall have no liability for any damages resulting from Customer's failure to maintain such duplicate or back-up copies nor for any costs or expenses of reconstructing any such data or information that may be destroyed, impaired or lost in accordance with the Operations Manuals SLINC has no obligation to maintain or repair any software other than the Proprietary Software, nor to repair or replace any expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes

SLINC.	**Customer**
Serendipity Labs, Inc	{_____}
By _____	By _____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Print Title	Print Title

SCHEDULE D

REQUIRED SOFTWARE LICENSES AND AUTHORIZED EQUIPMENT

1 Authorized Equipment Purchase Customer agrees to purchase the Authorized Equipment and Required Software listed on this Schedule D from the applicable Preferred Providers or another retailer If Authorized Equipment is obtained from another retailer, it must conform to SLINC's specifications and be approved in advance by SLINC in accordance with section 2 (f)(vi) of this Agreement All file servers and workstations purchased from other than the Preferred Providers must be shipped to SLINC or its designee for certification of compliance with SLINC's specifications The additional cost for such certification will be borne by Customer as detailed in Schedule B Customer shall also be responsible for the shipping and shipping related costs to and from SLINC or its designee for such certifications

2 Authorized Equipment

System/Equipment	Preferred Providers	Description
Lab Servers, PCs, Printers	Apple and Dell	Server, PCs, IPads
~~WiFi~~Wi-Fi	Airtight	Wireless Access Controllers
Access Control	Hirsch Identive, KioskPro, Apple	Access control hardware, Vestibule entry system
VoIP Telephony	Broadsmart	VoIP telephony and unified messaging
Data Circuits	Broadsmart	Primary and Secondary Data and Voice
Audio Visual Equipment	Various	A/V equipment and control
Data Management and Security	Various	Racks, Firewalls, Cabling & Low Voltage
Printers/Copiers	Konica Minolta	Network Copy/Scan/Printer
Closed Circuit Video		Closed Circuit Video
Electronic Messaging Scheduling	Various	Electronic Messaging/Room Scheduling

3 Required Software Licenses

Software	Preferred Providers	Description
Delphi fdc	Newmarket International	Event Management and CRM
Peachtree Plus	Sage Software	Financial Management
MOSO	Motionsoft Inc	Member Management and Billing
MyClub	Motionsoft Inc	Online Member Account Management

4 Purchase Terms and Conditions

For Purchase Terms and Conditions, see Schedules for covered property Participation Agreements located in Schedule F, all of which are incorporated herein by reference

SCHEDULE E

AUTHORIZED EQUIPMENT MAINTENANCE OBLIGATIONS

1 Maintenance for the Authorized Equipment Customer must maintain the Authorized Equipment throughout the term of this Agreement Customer may elect to use SLINC's Preferred Provider of hardware maintenance services Any equipment not acquired from the Preferred Providers must be certified for maintenance services

The following Authorized Equipment shall not be maintained by SLINC hereunder

- Wireless Access Points
- CCTV
- Cabling
- Lab Servers, PCs, Printers
- VoIP Telephony – Handsets
- Electronic Messaging

2 Refresh of Authorized Equipment Customer will be responsible for and will pay for all fees and costs for the replacement or refreshment of Authorized Equipment, as reasonably required by SLINC, on an approximate three year cycle, starting approximately three years after the initial shipment of Authorized Equipment to Customer Customer shall not be required to pay more than $10,000 per year for replacement of Authorized Equipment Customer's refresh will be timed to occur prior to the end of each three year cycle If Customer fails to meet SLINC's timeline for refreshing Authorized Equipment, including order dates for equipment and software, Customer will be responsible for all fees and costs incident to such delay, including, but not limited to, any rent extension costs on Authorized Equipment and higher fees and costs for equipment maintenance and software maintenance

3 Use of Certified Software Only Customer understands that use of any software other than the SLINC Software and Third -Party Software is not warranted for use on the Authorized Equipment without express written consent If any hardware issues are caused by unauthorized software, SLINC shall not be responsible for maintenance of such hardware, and Customer shall pay SLINC for any maintenance services provided at its then-current rates

4 Customer Responsibilities as to Equipment Maintenance Customer shall maintain on its staff at all times sufficient personnel who are trained in and knowledgeable about using the OASIS Platform Neither SLINC nor its Preferred Provider of equipment maintenance has any obligation to maintain or repair any equipment other than the Authorized Equipment, nor to repair or replace any cables, cords, expendable or consumable components such as ribbons, paper, toner cartridges, print wheels, drums, batteries, or diskettes, whether or not defined as Authorized Equipment Customer shall not move or perform maintenance services on any Authorized Equipment without SLINC's or the Preferred Provider's prior written consent

5 Cooperation Customer shall provide SLINC or the Preferred Provider with all information, data and other required materials necessary to reproduce any problem identified by Customer Customer shall maintain for the term of this Agreement an analog telephone line, and redundant ~~internet~~**Internet** service or other electronic communication capability mutually acceptable to both parties to facilitate the ability to perform the Equipment Maintenance services remotely

6 Expenses Customer shall pay for or promptly reimburse SLINC for pre-approved travel, lodging, meal, or any other out-of-pocket expenses incurred by SLINC or the Preferred Provider in furnishing the services hereunder Customer shall also pay for all telephone toll charges incurred in providing maintenance and support hereunder Typical travel expenses include, without limitation, the following

a) round-trip airfare (due to frequent scheduling changes SLINC may not be able to purchase airfare more than one week in advance of travel),
b) room accommodations (if the Lab cannot provide accommodations, comparable accommodations will be utilized),
c) meals, transportation, tips, taxes and miscellaneous expenses (phone, ~~internet~~**Internet**)

7 Exclusions SLINC's obligations to provide Equipment Maintenance hereunder shall not apply to any equipment other than the Authorized Equipment listed herein and shall not include any errors, defects or problems caused in whole or in part by (i) any modifications or enhancements made to any SLINC or Third -Party Software by any person or entity other than SLINC or its designee, (ii) any software program, hardware, cables, cords, firmware, peripheral or communication device used in connection with the OASIS Platform which was not approved in advance in writing by SLINC, (iii) the failure of Customer to follow the most current instructions promulgated by SLINC or any third -party vendor from time to time with respect to the proper access to or any use of the OASIS Platform, (iv) the failure of Customer to schedule regular preventive maintenance in accordance with standard SLINC procedures, (v) any such Authorized Equipment that is non-repairable, taken out of service or for which any such Authorized Equipment or parts for same are no longer manufactured or reasonably available, (vi) forces or supplies external to such Authorized Equipment, including, without limitation, the reasons set forth in the Force Majeure section of the OASIS Agreement, or (vii) the negligence of Customer or any other third person or entity operating on behalf of Customer Any corrections performed by SLINC for any such errors, difficulties, or defects shall be at the then applicable current time and material charges SLINC shall not be under any obligation, however, to fix any such Customer or externally caused errors, defects or problems

SCHEDULE F

THIRD -PARTY PARTICIPATION AGREEMENTS

i MotionSoft – Member management
ii Airtight – ~~WiFi~~**Wi-Fi**
iii Broadsmart – VoIP Telephony
iv Konica Minolta – Multi Function Print/Copy/Scan/Fax
v Newmarket International / Delphi fdc – Event Management
vi Eventbrite – Event Registration

EXHIBIT H

MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

By and Between

{~~_____~~}**{Owner Name}**
("Owner")

and

Serendipity Labs Management, LLC
("Manager")

EFFECTIVE DATE

~~_____, 2018~~
{Effective Date}

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MANAGEMENT AGREEMENT

This Management Agreement (this "Agreement"), dated as of _____, ~~2018~~**{Effective Date}** (the "Effective Date") is by and between { **Owner Name**}, a { **Owner State and Entity Type**} ("Owner") and Serendipity Labs Management, LLC ("Manager")

RECITALS

A { **Landlord**} ("Landlord") is the fee title owner to the office building located at {~~_____~~}**Location} ("Building")**

B Landlord and Owner will enter into that certain Office Building Lease to be dated on or about {~~_____~~}, ~~2018~~**Lease Date}** (the "Lease"), pursuant to which Landlord leases to Owner rentable space on the **{**_____ and _____ floors**}** of the Building, as more particularly delineated on the floor plan attached hereto as Exhibit "A" and made a part hereof (the "Leased Premises")

C The Leased Premises has been or will be improved to include offices, workstations, meeting facilities, and certain other amenities and related facilities (collectively, the "Lab Improvements"), as described on Exhibit "A" The Leased Premises and the Lab Improvements, in addition to certain other rights, improvements, FF&E, Operating Equipment and Operating Supplies, are collectively referred to as the "Lab "

D Pursuant to a Franchise Agreement dated ~~___, 2018~~ **{Effective Date}** between ~~{~~ ~~}~~**}Owner** and Serendipity Labs Franchise International, LLC ("Franchisor"), ("the Franchise Agreement") Owner has been granted the right to operate a SERENDIPITY LABS business in the Leased Premises

E Owner desires to engage Manager to manage and operate the Lab as a SERENDIPITY LABS business and Manager desires to accept such engagement upon the terms and conditions set forth in this Agreement

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing ~~premises~~**Recitals** and the mutual covenants contained herein, the sufficiency of which is hereby acknowledged by the parties hereto, Owner and Manager hereby agree as follows

ARTICLE I
DEFINITIONS

Section 1 1 Defined Terms As used in this Agreement, the following terms shall have the following meanings

Accounting Fee ~~means the amount payable to Manager pursuant to~~**shall have the meaning set forth in** Section 10 1(~~e~~**b**) of this Agreement

Accounting Period means each of twelve (12) accounting periods of one (1) calendar month occurring each Fiscal Year

Affiliate means any person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, **Owner or** Manager ~~or Owner~~, as the case may be For purposes of this definition, the term "control" means the power to direct or cause the direction of management and policies, through the ownership of voting rights, by contract or otherwise

Agency Account shall have the meaning set forth in Section 7 1 of this Agreement

Agreement means this Management Agreement

Annual Business Plan means the detailed annual business plan for the operation of the Lab for each Fiscal Year**, as** prepared by Manager **and approved by Owner** pursuant to Section ~~9 1~~**9** of this Agreement

Benefit Plans means all employee benefit plans of Manager or Co-Employer

Books and Records shall have the meaning set forth in Section 8 1(a) of this Agreement

Building shall have the meaning set forth in Recital A of this Agreement

Capital Reserve Fund shall have the meaning set forth in Section 7 4 of this Agreement

Co-Employer means the Professional Employer Organization joint employer with Manager, currently Trinet, Inc, if employer of the Lab staff is not only Manager

Commencement Date means the date that business operations commence in the Lab

CPI means the Consumer Price Index - Seasonally Adjusted U S City Average for All Items for All Wage Earners and Clerical Earners (1982-1984 = 100), published monthly in the Monthly Labor Review by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI-W") If the CPI-W is discontinued, CPI shall mean the Consumer Price Index - Seasonally Adjusted U S City Average for All Items for All Urban Consumers (1982 - 1984 = 100) (the "CPI-U") If both the CPI-W and CPI-U are discontinued, comparable statistics on the purchasing power of the consumer dollar published by the Bureau of Labor Statistics or any other agency of the United States government shall be used

Default Termination Fee shall have the meaning set forth in Section 10 4 of this Agreement

EBITDA shall mean earnings (exclusive of extraordinary items) before interest, income, taxes, depreciation and amortization, all of which components shall be determined in accordance with GAAP

Effective Date shall have the meaning set forth in the opening section of this Agreement

Employee Claims means any and all claims (including all fines, judgments, penalties, costs, litigation and/or arbitration expenses, attorneys' fees and expenses, and costs of settlement with respect to any such claim) by any employee of Manager alleging that one or more state or federal employment laws, rules or regulations have been violated with respect to the employment of such employee at the Lab

FF&E means all furniture, furnishings, equipment, fixtures, apparatus and other personal property used in, or held in storage for use in, the operation of the Lab, other than Operating Equipment, Operating Supplies and fixtures attached to and forming part of the Lab

Financial Statements shall have the meaning set forth in Section 8 2 of this Agreement

Financial Target means ~~eighty percent (~~80%~~)~~ of the EBITDA ~~of~~**in** the **approved** Annual Business Plan for any given ~~fiscal year~~**Fiscal Year**

Fiscal Year means a calendar fiscal year during the Term starting on January 1 and ending on December 31, or **any** portion thereof, depending upon the Effective Date and the Termination Date

Franchise Agreement shall have the meaning set forth in Recital D of this Agreement

Franchisor shall have the meaning set forth in Recital D of this Agreement

GAAP shall have the meaning set forth in Section 8 1(a) of this Agreement

Gross Operating Profit shall have the meaning set forth in Section 17 20(a) of this Agreement

Gross ~~Revenues~~**Revenue** shall mean all actual and collected ~~revenues~~**revenue** and receipts of every kind derived from the operation of the Lab and all departments and parts thereof including, without limitation, income (from both cash and credit transactions after reasonable deductions for bad debts and discounts for prompt or cash payments and refunds) from the provision of membership plans and business services and the sale of all other products and services at or from the Lab, food and beverage sales, wholesale and retail sales of merchandise, service charges (to the extent not distributed to employees as gratuities), and proceeds, if any, from business interruption or other loss of income insurance Expressly excluded from the definition of Gross ~~Revenues~~**Revenue** are the following gratuities to employees of the Lab, federal, state, and local excise, sales or use taxes or any other taxes collected directly from patrons or guests or included as part of the sales price of any goods or services, proceeds from the sale of FF&E, insurance proceeds (other than proceeds from business interruption or other loss of income insurance), condemnation proceeds, revenue from rental of any radio or transmitter antennae or tower, any proceeds from any Sale of the Lab or from the refinancing of any debt encumbering the Lab, contributions by Owner, proceeds of property tax abatements or refunds, interest or earnings on any reserves, income or receipts related to damage awards received from third parties food and beverage sales for which there is no markup or service charge, and proceeds, if any, from business interruption or other loss of income insurance

~~Incentive Management Fee shall have the meaning set forth in the Operating Agreement~~

~~Interests shall set forth in the Operating Agreement~~

Lab shall have the meaning set forth in Recital C of this Agreement

Lab Improvements shall have the meaning set forth in Recital C of this Agreement

Landlord shall have the meaning set forth in Recital A of this Agreement

Laws means any and all laws, rules, regulations, requirements, orders, notices, determinations and ordinances of any federal, state, municipal or other authority having jurisdiction over the Lab, now or hereafter in force, including, without limitation, any alcoholic beverage control board, health inspectors, the Board of Fire Underwriters and any insurance companies covering any of the risks against which Owner or Manager are insured under this Agreement

Lease shall have the meaning set forth in Recital B of this Agreement

Leased Premises shall have the meaning set forth in Recital B of this Agreement

Management Fee ~~means the amounts payable to Manager pursuant to~~**shall have the meaning set forth in** Section 10 1(a~~) and 10 1(b~~) of this Agreement

Manager means Serendipity Labs Management, LLC, a Delaware limited liability company

Manager Default shall have the meaning set forth in Section 12 5 of this Agreement

Manager Employment Liabilities shall have the meaning set forth in Section 5 1 of this Agreement

Manager Indemnitees shall have the meaning set forth in Section 16 1 of this Agreement

Measurement Year shall have the meaning set forth in Section 17 20(a) of this Agreement

Opening Date means the date on which the Lab opens for business

Operating Budget means the operating budget ~~prepared by Manager and~~ approved by ~~the~~ Owner for the Lab for each Fiscal Year ~~for which an Annual Business Plan is prepared,~~ setting forth an itemized statement of any and all anticipated **capital contributions to be made, and all** costs and expenses to be incurred**,** in connection with the operation, direction, management and supervision of the Lab for such Fiscal Year

Operating Equipment means all equipment, except for FF&E and Operating Supplies, used, or held in storage for future use, in connection with the operation of the Lab including, office supplies, paper, printer ink, table linen, china, glassware, tableware, utensils and similar items

Operating Expenses shall mean expenses and deductions incurred in the operation of the Lab by Manager in fulfilling its duties hereunder the period in question, determined in accordance with the accounting system established by the Uniform System ~~(except as modified by this Agreement) Operating Expenses shall not include the Management Fee, real property taxes, personal property taxes, and other ad valorem taxes imposed on the Lab and FF&E, insurance premiums and deductibles for property, casualty, and liability insurance, rent, interest, depreciation, and amortization~~**and GAAP**

Operating Funds shall have the meaning set forth in Section 7 2 of this Agreement

Operating Supplies means all supplies, except for FF&E and Operating Equipment used, or held in storage for future use, in connection with the operation of the Lab including, without limitation, all provisions in storerooms, refrigerators, pantries and kitchens, beverages, other merchandise intended for sale, mechanical supplies, computers and supplies and other expenses supplies and similar items

Optional Construction Management Fee shall have the meaning set forth in Section 10 1(d) of this Agreement

Owner means { **Owner Name**}, a { **Owner State and Entity Type**}, and its permitted successors and assigns

Owner Indemnitees shall have the meaning set forth in Section 16 2 of this Agreement

Preliminary Business Plan shall have the meaning set forth in Section 9 1(a)

Pre-Opening Project Management Fee shall have the meaning set forth in Section ~~10 2(a~~**10.1(c)** of this Agreement

Required Minimum Amount means the amount of working capital necessary for Manager to ensure that the Lab has sufficient cash to pay its bills in a timely manner, which amount shall initially be set at $25,000, subject to change upon mutual agreement between Owner and Manager to an amount equal to approximately 50% of the monthly expense in the **approved** Annual Business Plan

Sale of the Lab shall have the meaning set forth in Section 12 3 of this Agreement

Sale Termination Fee means the amount payable to Manager pursuant to Section 12 3 of this Agreement

SERENDIPITY LABS Standards and System shall mean the Standards and System specified by Franchisor in the Franchise Agreement and Franchisor's Manuals relating to the operation of SERENDIPITY LABS businesses "Standards" include, without limitation, the methods, techniques, standards, specifications, policies and procedures relating to the operation of SERENDIPITY LABS businesses, as set forth in the Franchise Agreement and the Manuals "System" means the distinctive business format and methods licensed under the Franchise Agreement, as they may be changed, improved and further developed by Franchisor from time to time, and includes, without limitation the Standards, the training, assistance and support that may be offered by Franchisor or its designees, the quality and uniformity of products and services offered at SERENDIPITY LABS businesses, and Franchisor's advertising and marketing programs

Special Project Management Fee shall have the meaning set forth in Section 10 2 of this Agreement

Tax Basis Accounting means "other comprehensive basis of accounting" applicable to income tax basis accounting, as established by the American Institute of Certified Public Accountants and the method of accounting used to prepare the federal income tax return of ~~the~~ Owner

Taxes means any and all real estate taxes, personal property taxes, assessments, ad valorem taxes and similar charges on or relating to the Lab or any of its component parts

Term shall have the meaning set forth in Section 2 1 of this Agreement

Termination Date shall have the meaning set forth in Section 2 1 of this Agreement

Termination for Convenience shall have the meaning set forth in ~~section~~**Section** 12 4 **of this Agreement.**

Termination Event shall have the meaning set forth in Section 12 2 of this Agreement

Uniform System means the Uniform System of Accounts for Hotels, "~~Tenth~~**Eleventh** Revised Edition, **2014**" as revised and adopted by the Hotel Association of New York City, Inc , in effect from time to time and as modified by applicable provisions of this Agreement

ARTICLE II
TERM

Section 2 1 Term The term of this Agreement shall commence on the Effective Date and shall continue until the **earlier of (i) the termination of the Franchise Agreement, or (ii) the** expiration of the ~~fifth (~~5th~~)~~ full Fiscal Year after the Commencement Date, unless sooner terminated by **Owner or** Manager ~~or Owner~~ pursuant to the provisions of this Agreement, provided, however, that upon expiration of the ~~fifth (~~5th~~)~~ full Fiscal Year after the Commencement Date, this Agreement shall automatically renew for ~~a~~ consecutive ~~five (5)~~ -year ~~term~~**terms** unless terminated by Owner pursuant to this Agreement **("Term")** The date this Agreement actually terminates shall hereinafter be called the "Termination Date" **."**

ARTICLE III
ENGAGEMENT OF MANAGER AND COMMENCEMENT OF MANAGEMENT OF THE LAB

Section 3 1 Engagement of Manager to Manage Lab As of the Effective Date, Owner hereby grants to Manager the sole and exclusive right, and hereby appoints Manager as Owner's sole and exclusive agent, subject to the terms of this Agreement, to operate, direct, manage and supervise the Lab, and Manager hereby undertakes and agrees to perform, as the agent of and for the account of Owner, all of the services required hereunder and to comply with all of the provisions of this Agreement Notwithstanding anything in this Agreement to the contrary, it is the intent of Owner and Manager that Owner will not interfere with low-level, day-to-day operations of the SERENDIPITY LABS business and/or the Lab, provided, however, Owner will be involved high-level decision-making, including, without limitation, strategic planning, pricing of memberships, products and services, and other such important matters related to success of the business Owner agrees that communications regarding such matters shall be between Owner and Manager's executive-level management and that Owner shall not communicate with Manager's onsite staff or lower-level employees regarding such matters

Section 3 2 Commencement Date Manager shall assume project management, planning, design, procurement and pre-opening activities as more particularly described in Section 4 1 below upon the Effective Date of this Agreement and will commence supervision of the day to day operation of the Lab on the Commencement Date

Section 3 3 Manager as Agent Manager shall act solely on behalf of and as agent for Owner in connection with the performance of this Agreement All employees working at the Lab shall be employees of Manager or its Co-Employer Nothing contained in this Agreement shall be construed as creating, between the parties hereto or with any third party, a partnership, joint venture or any relationship between Owner and Manager other than agency Any and all debts, obligations and other liabilities incurred by Manager in connection with the Lab pursuant to and in accordance with this Agreement (including, without limitation, payroll, taxes and benefits) shall be incurred on behalf of Owner, and Manager shall not (unless otherwise provided herein) be liable for payment therefor ~~Owner and Manager stipulate and agree that the agency created by this Agreement shall be deemed to be "an agency coupled with an interest" and therefore not terminable by Owner except in strict accordance with the terms of this Agreement~~; **provided, Manager and its employees and agents shall not incur debts or other liabilities on behalf of Owner unless the same are (i) reasonable, (ii) necessary or reasonably prudent for the operation of the Lab, or (iii) within the Operating Budget or otherwise specifically approved in writing by Owner**

ARTICLE IV
DUTIES OF MANAGER

Section 4 1 Duties of Manager

On and after the Effective Date, Manager shall plan, direct, supervise, manage and operate the Lab in all respects in **an efficient and economical manner consistent with similar facilities, in** accordance with the SERENDIPITY LABS Standards and System, and in accordance with **the Franchise Agreement and** this Agreement (subject to Owner's satisfying its financial commitments hereunder), on the condition that Manager shall not be obligated to advance any of its own funds in connection with such duties Without limiting the generality of the foregoing, Manager shall be owner's fiduciary and perform each of the following functions consistent with and as contemplated by the SERENDIPITY LABS Standards and System and the applicable **approved** Annual Business Plan

(a) Maximize Gross Revenue, minimize Operating Expenses, collect rent and any other receivables, pay expenses in accordance with the **approved** Annual Business Plan, and perform any other act or activities that may be necessary or helpful to ensure the success of the business

(b) Recruit, employ, relocate, pay, supervise and discharge all employees and personnel necessary for the operation of the Lab (included in the foregoing shall be the determination of all personnel policies) All employees at the Lab shall be employees of Manager or Co-Employer,

(c) Establish all prices, rates and charges for memberships and product and service offerings, including, without limitation, offices, work stations, conference rooms, meeting rooms, food, beverages, and other salable or rentable items comprising the Lab and its business in reasonable accordance with the **approved** Annual Business Plan

(d) Negotiate and enter into (or cause Owner to enter into), on behalf of Owner, service contracts required in the ordinary course of business in operating the Lab including, without limitation, contracts for electricity, gas, telephone, cable and satellite television, cleaning, vermin extermination, and other services which Manager deems advisable

(e) Provide complimentary day passes to persons to whom such privileges are customarily accorded in the industry, including, without limitation, (i) employees of Manager's parent company, pursuant to its personnel policies and subject to space availability, and (ii) such employees of Owner as Owner may from time to time designate

(f) Establish and revise, as necessary, administrative policies and procedures including, without limitation, policies and procedures for the control of ~~revenue~~**Gross Revenue** and expenditures, for the purchase of Operating Equipment, Operating Supplies and services, for the control of credit, and for the scheduling of maintenance

(g) Arrange and contract for all advertising and promotion of the Lab reasonably necessary or appropriate for the operation of the Lab

(h) Open and maintain the Agency Account and an account for the Capital Reserve Fund as required by this Agreement

(i) Prepare and deliver to Owner the Preliminary Business Plan, **proposed** Annual Business Plans ~~and Financial Statements~~, and such other information as required by this Agreement

(j) Procure and maintain insurance in accordance with Article XI

(k) Keep Owner reasonably advised as to all major policy matters affecting the Lab

(l) Conduct such other day to day operations of the Lab as may be required under this Agreement

(m) Enter into, or on behalf of or as agent of Owner, contracts related to being a Co-Employer

(n) Comply with all of Owner's obligations as tenant under the Lease, and

(o) Work with Owner and ~~the~~ Landlord to obtain, on or before the Commencement Date, all necessary governmental and other permits and approvals for the Lab and for the food and beverage operations of the Lab

(p) Provide project management services for a turnkey opening as follows

(i) Plan, supervise and direct design professionals hired by Owner for the schematic, design development and full construction document completion, in accordance with the Serendipity Labs Design Standards and subject to approval by Owner,

(ii) Plan, supervise and direct construction management professionals hired by Owner for the value engineering, bidding, construction and progress payment process,

(iii) Review and approve shop drawings and specifications for Owner supplied construction materials including but not limited to, architectural wall systems, lighting packages, flooring, millwork, lockers and signage,

(iv) Plan and conduct procurement and installation logistics for all furniture and fixtures and equipment, subject to final approval by Owner,

(v) Activate all pre-opening marketing in accordance with the approved Annual Business Plan beginning upon the Effective Date

(vi) Manage pre-opening sales in accordance with the System, and

(vii) Testing and Acceptance of all systems in accordance with the System Requirements

Section 4 2 Authority of Manager Except as **limited in Section 4.6 or** otherwise specifically set forth in this Agreement, (i) the management and operation of the Lab shall be under the exclusive supervision and control of Manager and (ii) Manager shall have reasonable discretion and control, free from unreasonable interference, interruption or disturbance, in all matters relating to management and operation of the Lab To the extent Manager can deliver any of its functions more efficiently by outsourcing such functions to a third party, Manager shall have the option, subject to Owner's prior approval, in its ~~sole~~ discretion, and at no additional cost to Owner, to outsource such functions Owner agrees to execute and deliver any and all documents reasonably required by Manager related to Manager being Co-Employer

Section 4 3 Employees

(a) Except as otherwise set forth in this Agreement, Manager shall have absolute discretion and control over all personnel matters and personnel employed at the Lab (the employees being employees of Manager) including, without limitation, decisions regarding hiring, promoting, transferring, compensating, supervising, terminating, directing and training all employees at the Lab, and, generally, establishing and maintaining all policies, including, without limitation, compensation and benefits (subject to the Operating Budget), relating to employment Owner shall not exercise any authority over or interfere with any personnel employed at the Lab except that ~~the~~ Owner shall have the right, in its reasonable discretion, to (i) approve the hiring of the Lab's general manager and any employment agreement governing the terms of such general manager's employment and (ii) cause ~~the~~ Manager to terminate the employment of the Lab's general manager subject to the terms of the employment agreement and Manager's reasonable discretion Manager shall cause the Lab Manager (as defined in the Franchise Agreement) to execute and bind themselves to the confidentiality, improvements and innovations, and non-competition covenants in accordance with the Franchise Agreement Notwithstanding the foregoing, ~~the~~ Manager shall have the discretion and control to award an incentive based bonus to the Operations Manager and other staff of the Lab not to exceed $15,000 or 20% of regular base pay

provided that (i) Owner has approved such bonus and (ii) the Lab has achieved a financial performance above that projected in the **approved** Annual Business Plan

(b) With respect to debts, obligations, and other liabilities to employees, Owner shall be liable for only wages, payroll taxes, and other benefits

(c) Owner shall reimburse Manager for the monthly salary, payroll taxes and fringe benefits under the Benefit Plans of all personnel employed by Manager and located full time at the Lab Owner shall also reimburse Manager for all reasonable out-of-pocket third -party costs and expenses incurred when employees from the home office of Manager attend meetings, functions, training sessions or conventions deemed advisable by Manager including, without limitation, travel, program and materials costs The amounts of any and all such costs and expenses shall be in accordance with the terms of the Franchise Agreement

Section 4 4 Litigation Without Owner's prior written consent, Manager may settle or otherwise dispose of litigation relating to the Lab where the claim asserted is less than or equal to ~~$25,000, except for litigation arising from the employee claims concerning their employment,~~ **10,000.** Owner's written approval shall be required with respect to any settlement in excess of ~~$25,000~~ **10,000** Notwithstanding the foregoing, (i) nothing shall limit Manager's ability to defend, settle or otherwise dispose of litigation against Manager in its individual capacity and not as an agent of Owner, and (ii) if any affiliates or principals of Owner are named as defendants in such litigation or arbitration, such litigation may be settled only with the written consent of such affiliate and/or principal

Section 4 5 Owner's Right of Inspection and Review Manager shall permit Owner and its duly authorized agents and representatives, upon reasonable notice, the right to enter upon any part of the Lab at all reasonable times for the purpose of examining or inspecting the Lab, its records, or operation or any other purpose which Owner, in its reasonable discretion, shall deem advisable

Section 4 6 Limitations on Manager's Authority Notwithstanding any provision in this Agreement to the contrary, Manager shall not, without the prior written approval of Owner (i) institute the prosecution, settlement or defense of any claim arising out of the operation of the Lab which involves an amount in excess of $5,000 which is not covered by insurance or as to which the insurance company denies coverage or "reserves rights" as to coverage; (ii) execute any agreement, excluding any client membership or service agreement, if such agreement has a term in excess of one (1) year, requires aggregate annual payments by the Lab in excess of $100,000, or cannot be terminated without penalty by providing notice of 30 days or less; (iii) borrow money other than incurring trade payables in the ordinary course of business; (iv) mortgage, pledge, grant a security interest in or otherwise encumber all or any part of the Lab; (v) incur any liabilities or obligations to third parties which are unrelated to the operation, maintenance or security of the Lab, (vi) prosecute or settle any tax claims or appeals related to the Lab, (vii) sell, lease, transfer or otherwise dispose of all or any portion of the Lab; (viii) perform any alterations to the Lab or any portion thereof, (ix) take any other action which is prohibited by or requires the approval of Owner under the terms of

this Agreement unless Owner's prior written approval is obtained, (x) purchase goods, supplies and services from itself or an Affiliate unless Manager discloses to Owner in advance that Manager is purchasing such goods, supplies or services from itself or an Affiliate, and the cost to the Lab of such goods, supplies or services; (xii) discriminate against the Lab and in favor of the other properties operated by Manager or any Affiliate in any material manner; and/or (xiii) take any other action which is prohibited by or requires the approval of Owner under the terms of this Agreement unless Owner's prior written approval is obtained The limitations set forth in this Section 4.6 shall be in addition to all other restrictions on Manager's authority set forth in this Agreement

ARTICLE V
OPERATING EXPENSES

Section 5 1 Expenses Incurred by Manager on Behalf of Owner All actions of Manager in the performance of its obligations under this Agreement, all expenses incurred under this Agreement including, without limitation, all payroll, Benefit Plans and payroll related expenses of the Lab's employees shall be for and on behalf of Owner and for its account, and all debts and liabilities arising in the course of business of the Lab including, without limitation, any and all costs related to claims by employees of the Lab concerning their employment, shall be the obligation of Owner, and Manager shall not be liable for any of such expenses, debts, liabilities and obligations by reason of its direction, management, supervision and operation of the Lab on behalf of Owner (except for Employee Claims that are proven to be caused by the gross negligence or intentional misconduct of ~~the~~ Manager (the "Manager Employment Liabilities) Neither Manager nor any of its Affiliates shall be obligated to advance any of its own funds to or for the account of Owner or the Lab, or to incur any liability on behalf of Owner or the Lab unless Owner shall have furnished Manager with funds necessary for the discharge thereof prior to incurring such liability Owner shall indemnify, defend and hold Manager harmless from and against all loss, costs, liability, and damage (including, without limitation, attorneys' fees and expenses) arising from Owner's failure to pay such debts and liabilities (except for ~~the~~ Manager Employment Liabilities) The provisions of this Section 5 1 shall survive any termination of this Agreement

Section 5 2 Professional Services Manager may hire independent contractors to provide such legal, accounting and other professional services as Manager deems necessary or appropriate in the ordinary course of business, but only to the extent provided for in the Operating Budget or otherwise approved by Owner in writing

Section 5 3 Contracts with Affiliates If approved by Owner in advance, Manager may, on behalf of Owner, contract with ~~Affiliates~~**any Affiliate** of Manager for any **goods, supplies or** services which are customarily provided to the Lab or comparable properties by third -party vendors, only on the condition that (i) Owner has approved such contract**,** or ~~agreement or it is~~**the goods, supplies or services are** provided for in the **approved** Annual Business Plan, (ii) the fees charged and the terms of ~~any~~ such contract ~~with Manager's Affiliate~~ are established on an arms-length basis and are no less favorable to Owner than would be ~~obtain~~**obtained** from an unaffiliated third party and (iii) such contract is cancelable by Owner on a maximum of ~~ninety (90)~~ days' prior notice without penalty ~~All fees payable to Manager or its Affiliates pursuant to any such contract shall be in addition to the Management Fee~~ **; provided that the foregoing does not apply to**

goods, supplies or services for which fees or amounts are specified under this Agreement (including the Management Fee, etc), the Franchise Agreement or the OASIS Platform Services Agreement

Section 5 4 Reimbursable Expenses Manager may reimburse itself consistent with the terms of this Agreement for the payroll expense of any employee of Manager or an Affiliate of Manager who is performing a necessary job function at the Lab, on behalf of the Lab or Owner that is otherwise vacant, so long as such reimbursement does not exceed the amount that would be paid for a permanent employee in such position or so long as such services are previously approved by Owner Manager may also reimburse itself for reasonable third -party out -of -pocket costs and expenses incurred by Manager, Manager's Affiliates or personnel of Manager's Affiliates, as the case may be, in the course of Manager fulfilling the duties described in this Agreement including, without limitation, travel expenses to and from the Lab, charges for telephone, reproduction, postage and delivery, ~~attendance~~ and ~~travel~~**fees and** expenses related to~~, and the cost of~~ training ~~at franchise~~ programs, but only to the extent provided for in the Operating Budget or otherwise approved by Owner in writing

Notwithstanding anything herein to the contrary, to the extent any cost or expense incurred by Manager relates both to the Lab and to any other property managed by Manager or its Affiliates or otherwise, Owner shall be obligated to reimburse Manager only for the proportionate share of such expense attributable to the Lab

ARTICLE VI
COMPLIANCE WITH LAWS

Section 6 1 Compliance by Manager Manager shall use commercially reasonable efforts to comply with and abide by all applicable Laws relating to the management and operation of the Lab Notwithstanding the foregoing, Manager shall have the right, but not the obligation, in its reasonable discretion and subject to Owner's reasonable approval, to contest or oppose, by appropriate legal proceedings, the validity or applicability of any Laws and postpone compliance therewith pending the determination of such contest, if so permitted by law and not detrimental to the operation of the Lab **If Manager contests or is in non-compliance with any Law, Manager shall indemnify and hold harmless Owner from and against any loss, cost, damage and expense (including without limitation, reasonable attorneys' fees), as a result of such contest or non-compliance**

Section 6 2 Compliance by Owner Owner shall use reasonable efforts to comply with and abide by all applicable Laws relating to the ownership and operation (except as otherwise the obligation of Manager) of the Lab, on the condition that Owner shall have the right to contest or oppose, by appropriate legal proceedings, the validity or applicability of any Laws and postpone compliance therewith pending the determination of such contest, if so permitted by law and not detrimental to the operation of the Lab **If Owner contests or is in non-compliance with any Law, Owner shall indemnify and hold harmless Manager from and against any loss, cost, damage and expense (including without limitation, reasonable attorneys' fees), as a result of such contest or non-compliance.**

ARTICLE VII
AGENCY ACCOUNT, OPERATING FUNDS AND CAPITAL RESERVE FUND

Section 7 1 Agency Account All monies received by Manager in the operation of the Lab, including the Operating Funds furnished by Owner, shall be deposited in one or more accounts (collectively, the "Agency Account") in Manager's name, as agent of Owner, in the bank or similar institution recommended by Manager, subject to Owner's ~~reasonable consent~~**approval Owner hereby gives its approval to TD Bank and Wells Fargo Bank** Such monies shall not be commingled with any other funds of Manager Withdrawals from the Agency Account shall be made only by authorized representatives of Manager, on the condition that such representatives of Manager are bonded or otherwise insured All payments made by Manager under this Agreement shall be made from the Agency Account

Section 7 2 Operating Funds Owner shall maintain cash in the Agency Account pursuant to each **approved** Annual Business Plan sufficient in amount to properly operate the Lab consistent with such **approved** Annual Business Plan ("Operating Funds") If, at any time during the Term, the Operating Funds shall fall below the Required Minimum Amount, Owner shall deposit into the Agency Account, on or before ~~five (5)~~ days after receipt of written notice from Manager of such shortfall~~ and subject to the additional capital contribution provisions of the Operating Agreement~~, additional funds in an amount necessary to bring the Operating Funds up to the Required Minimum Amount Subject to the requirements of the Operating Budget for such Fiscal Year, any Operating Funds in the Agency Account in excess of the Required Minimum Amount, shall be distributed to Owner on a quarterly basis

Section 7 3 Payment of Operating Expenses Manager shall pay all Operating Expenses of the Lab consistent with this Agreement and the approved ~~Operating Budget or~~**Annual Business Plan, or as otherwise** approved by Owner**,** out of Operating Funds including, without limitation, (i) any and all compensation and other benefits paid to employees of Manager and/or Co-Employer at the Lab, and (ii) any and all fees or compensation of any kind due Manager pursuant to this Agreement, all in accordance with the provisions of this Agreement Manager shall not be required to make any advance or payment to or for the account of Owner except out of the Operating Funds, and Manager shall not be obligated to incur any liability or obligation on behalf of Owner

Section 7 4 Capital Reserve Fund Manager shall maintain a capital reserve fund ("Capital Reserve Fund") in accordance with the terms of the Franchise Agreement and ~~subject to the additional capital contribution provisions of the Operating Agreement~~**the approved Annual Business Plan**

ARTICLE VIII
BOOKS, RECORDS AND FINANCIAL STATEMENTS

Section 8 1 Accounting System

(a) Manager shall keep full and adequate books of account and other records (collectively, the "Books and Records") as are necessary to reflect all expenses, fees, costs and the

results of the operation of the Lab on an accrual basis, all substantially in accordance with the Uniform System and substantially in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") In maintaining the Books and Records for the Lab, Manager shall use the standard practices it follows with respect to similar facilities managed by Manager, so long as such practices are substantially in compliance with GAAP Manager may perform accounting services at the Lab, Manager's corporate office, or such other location where Manager performs centralized accounting services Manager shall be responsible for ensuring that all state and federal payroll related tax returns are timely and accurately filed and that any amounts due thereunder are properly remitted to the appropriate governmental agency To help ensure compliance with the preceding sentence, Manager shall engage a qualified independent third party for payroll services Manager reserves the right to enter into a contract with a qualified independent third party for payroll and other accounting services if Manager reasonably determines that it would be more efficient to do so and it is consistent with the ~~approved~~ Operating Budget Except for such Books and Records as Manager may reasonably elect to keep at its parent company corporate office or other suitable location, Manager shall keep the Books and Records at the Lab and Manager shall make all Books and Records, wherever located, available to Owner and its representatives at all reasonable times for examination, audit, inspection and transcription

(b) All Books and Records including, without limitation, books of accounts, guest records, front office records, personnel files and payroll records shall at all times be the property of Owner Upon termination of this Agreement, all Books and Records shall be, to the fullest extent allowed by Law, turned over to Owner to ensure the orderly continuation of the operation of the Lab, on the condition that the Books and Records shall thereafter be available to Manager and its representatives at all reasonable times by appointment for inspection, audit, examination and transcription, and Manager may retain copies of any Books and Records as required by Law

Section 8 2 Financial Statements Manager shall deliver to Owner within twenty (20) days after the end of each Accounting Period, and within ~~thirty (~~30~~)~~ days after the end of each quarter, Financial Statements Manager shall also deliver within ~~thirty (~~30~~)~~ days after the end of each Fiscal Year a preliminary financial statement followed by a final financial statement within ~~sixty (~~60~~)~~ days after the end of the Fiscal Year All financial statements shall be in form and substance reasonably acceptable to Owner (the "Financial Statements") and the Financial Statements shall include the following information

(a) Balance sheet as of the last day of the last month or as of the end of the Fiscal Year, as applicable, preceding the report,

(b) A consolidated income and expense statement for the preceding calendar month and Fiscal Year and comparing the current calendar month and Fiscal Year-to-date performance with the Operating Budget and previous year performance**, and Fiscal Year rolling, actual/forecast, income and expense statement, by month** (if available),

(c) An income and expense statement by department showing results of Lab's operation for the preceding calendar month and Fiscal Year and comparing the current calendar month and Fiscal Year-to-date performance with the Operating Budget and previous year

performance**, and Fiscal Year rolling, actual/forecast, income and expense statement, by month** (if available),

(d) Gross ~~Revenues~~**Revenue, Gross Operating Profit, EBITDA, and any applications** and/or distributions thereof,

(e) Accounts receivable reports and sales reports, ~~and~~

(f) Calculations and payments of Management Fees,

(g) Forecasted income and expense statement for the forthcoming quarter;

(h) A summary of any reasonably anticipated working capital needs in the forthcoming quarter;

(i) A capital expenditures statement showing, in reasonable detail (i) a list and total of actual capital expenditures, and copies of competitive bids or estimates for capital expenses over $10,000, (ii) committed capital items in progress (i e. purchase order issued), (iii) the cost to complete for specific ongoing capital projects, (iv) a schedule of accrued capital expenditures, and (v) a statement of the balance of any actual CapEx or FF&E reserve account with a reconciliation showing acquisitions and dispositions of CapEx or FF&E. Accounting Period and Fiscal Year-to-date cost and timing variances from both the Operating Budget and the same period for the prior Fiscal Year shall be included. The capital expenditure statement shall be presented for each: (i) Accounting Period, and (ii) the Fiscal Year-to-date period Manager shall have until 30 days after the end of an Accounting Period to deliver the capital expenditure statement for that Accounting Period (including the Fiscal Year-to-date information);

(j) ~~(f)~~ Such other reports as Owner may reasonably request or as may be required under the Franchise Agreement

The Financial Statements shall be determined from the Books and Records Any disputes as to the contents of any Financial Statement or any accounting matter hereunder shall be determined by an independent certified public accountant to be agreed upon by both parties, whose decision shall be final and conclusive as to both **Owner and** Manager ~~and Owner~~

Section 8 3 Audit Fees and Income Tax Returns Owner shall, at its sole cost and expense, be solely responsible for the preparation of any state and federal income tax returns and audits (if it elects to cause reviewed or audited financial statements to be prepared) Manager shall use commercially reasonable efforts to cooperate in the preparation of any such income tax returns or audits

ARTICLE IX
ANNUAL BUSINESS ~~PLAN~~PLANS

Section 9 1 Preparation of Annual Business ~~Plan~~Plans

(a) Manager shall, ~~on or~~**at least 60 days** before ~~thirty (30) days after~~ the Commencement Date, prepare and submit to Owner for its ~~Approval, which approval shall not be unreasonably withheld, conditioned or delayed, the initial~~**approval, a proposed** Annual Business Plan for the **partial or full** first full Fiscal Year of operation of the Lab under this Agreement (the "Preliminary Business Plan") Thereafter, no later than December 1st of each subsequent Fiscal Year, Manager shall submit to Owner for its ~~Approval~~**approval**, which ~~Approval~~**approval** shall not be unreasonably withheld, conditioned or delayed, ~~an~~**a proposed** Annual Business Plan for ~~the~~**each** succeeding Fiscal Year (or portion thereof in the case of any partial Fiscal Year prior to the end of the Term) ~~Upon Approval by Owner, the Preliminary Business Plan shall be deemed to be the Annual Business Plan for the first partial Fiscal Year~~

(b) The Preliminary Business Plan and each **proposed** Annual Business Plan shall include without limitation the following, all in reasonable detail and, where appropriate, with the basis for all assumptions expressly set forth (i) ~~an~~**a proposed** Operating Budget ~~which shall include, among other line items~~, (ii) a construction management and project management budget, (iii) a marketing plan, (iv) a cash flow forecast, (v) an estimated budget for capital improvements and fixed asset additions, (vi) anticipated ~~revenue~~**Gross Revenue** and expenses, and (vii) ~~revenue~~**Gross Revenue** assumptions (and any other material assumptions) and pricing plans

(c) Owner shall review the Preliminary Business Plan and each **proposed** Annual Business Plan**,** and **shall** either approve or notify Manager of any objections to the Preliminary Business Plan or **proposed** Annual Business Plan in writing**,** on or before ~~thirty (30)~~ days after Owner's receipt thereof **Upon approval by Owner, the Preliminary Business Plan shall be deemed to be the approved Annual Business Plan for the first partial or full Fiscal Year** If Owner fails to deliver written notice of **approval or** disapproval of the Preliminary Business Plan or any proposed Annual Business Plan within such ~~thirty (30) day period,~~**30-day period, then Manager shall send a second notice to Owner (a "Wake-Up Notice") stating (in 14-point bold type) that Owner's failure to approve or disapprove the Preliminary Business Plan or proposed Annual Business Plan within 10 calendar days will result in the Preliminary Business Plan or proposed Annual Business Plan being deemed approved. If Owner fails to respond to the Wake-Up Notice within such 10-day period, then** Owner shall be deemed to have approved the ~~applicable~~ Preliminary Business Plan or **proposed** Annual Business Plan as submitted by Manager**,** as of the date that is ~~thirty (30)~~**10** days after ~~the~~ Owner's receipt ~~thereof~~**of the Wake-Up Notice**

Section 9 2 Annual Business Plan Disputes If Owner ~~fails to obtain Approval of the Annual Business Plan and~~ objects to all or any part of ~~a~~**any** proposed Annual Business Plan, Owner shall deliver written notice to Manager setting forth the specific objections of Owner to the **proposed** Annual Business Plan, and **Owner and** Manager ~~and Owner~~ shall in good faith negotiate a mutually satisfactory **approved** Annual Business Plan If **Owner and** Manager ~~and Owner~~ are unable to resolve ~~disputes over an~~**Owner's objections to any proposed** Annual Business Plan

prior to commencement of the applicable Fiscal Year, then~~,~~ Manager shall present ~~an~~**a proposed** Annual Business Plan which includes an Operating Budget with expenses to be increased by no more than the percentage increases contained in the original 5 -year pro-forma for the previous ~~fiscal year~~**Fiscal Year**'s **approved** Annual Business Plan Operating Budget (the "Interim Business Plan"), and such Interim Business Plan shall be **deemed to be** the **approved** Annual Business Plan until such ~~dispute(s)~~**objections** are resolved If ~~the~~ Owner and Manager are unable to agree ~~upon~~**on** an Interim Business Plan, then the prior ~~fiscal year~~**Fiscal Year's approved** Annual Business Plan shall be **deemed to be** the **approved** Annual Business Plan until such ~~dispute(s)~~**objections** are resolved In the event that **Owner and** Manager ~~and Owner~~ cannot resolve ~~their disputes~~**Owner's objections** hereunder within ~~sixty (60)~~ days, either **Owner or** Manager ~~or Owner~~ may request ~~Arbitration~~**arbitration** under Section 17 12

Section 9 3 Deviations from **Approved** Annual Business Plan

(a) ~~Upon approval by Owner of an Annual Business Plan,~~ Manager shall use commercially reasonable efforts to manage, operate and maintain the Lab ~~for the Fiscal Year reflected therein~~ in accordance with ~~such~~**each approved** Annual Business Plan unless **deviations are** otherwise approved by Owner or permitted by Section 9 3 (b) If Manager shall be unable, with the exercise of reasonable due diligence and commercially reasonable efforts to comply with ~~the~~**any** approved Annual Business Plan, such inability shall not constitute a default under this Agreement

(b) Manager shall be authorized to take appropriate remedial action and to make such expenditures as reasonably necessary without receiving Owner's prior consent**:** (i) in an emergency threatening the Lab or any guests, invitees or employees therein or that causes a material disruption to the operation of the Lab, its guests, invitees or employees**,** (ii) if expenditures are necessary to satisfy a legal requirement (only with Owner's prior written consent)~~,~~**;** (iii) ~~related~~ if ~~such~~ expenditures are made ~~towards~~**for** variable costs that increase in proportion to ~~revenue that directly result in~~ increased Gross ~~Revenues~~**Revenue** beyond ~~the amount~~**that** projected for such period in the Operating Budget**,** or (iv) if the continuation of the given condition will subject **Owner and/or** Manager ~~and/or Owner~~ to civil or criminal liability, and Owner has either failed to remedy the situation after reasonable notice thereof or has failed to take appropriate legal action after reasonable notice thereof to stay the effectiveness of any Laws In such an event, Manager shall cooperate with Owner in the pursuit of any such action and shall have the right to participate therein Notwithstanding the foregoing, ~~(i)~~ without Owner's prior written consent~~, the~~**:** Manager shall not be authorized to make any expenditure or series of expenditures that, in the aggregate, exceed $10,000 and are not otherwise contemplated by the **approved** Annual Business Plan, and (ii) ~~in no event shall~~ Manager **shall not** incur any expenses not provided for in the Operating Budget, nor incur costs, except for variable costs that increase in proportion to ~~revenue~~**increased Gross Revenue**, for an item provided for in the Operating Budget in excess of the amount provided for that item ~~without Owner's prior written consent~~

(c) Owner acknowledges that any approved Annual Business Plan is a reasonable estimate only and that any projections set forth in the **approved** Annual Business Plan are subject to and may be affected by changes in financial, economic and other conditions and

circumstances beyond Manager's reasonable control and that such projections are not to be construed as a guaranty by Manager of the actual results of operations to be obtained

ARTICLE X
MANAGEMENT ~~FEE~~FEES AND EXPENSES

Section 10 1 Management ~~Fee~~Fees

(a) In consideration of the services performed during the Term, Manager shall be paid on or before the ~~tenth (~~10th~~)~~ day of each month, **for Gross Revenue in** the immediately preceding month, a management fee (the "Management Fee") equal to the greater of $5,000 ~~and five percent (5%)~~**or 5%** of ~~the~~ Gross ~~Revenues for the immediately preceding month~~**Revenue** In consideration of the services to be performed during the term of this Agreement, Manager shall be paid by Owner an incentive management fee (the "Incentive Management Fee") calculated and paid in accordance with Schedule 10 1(a),

(b) In consideration of the accounting and payroll services to be performed during the ~~term of this Agreement~~**Term**, Manager shall be paid by Owner on or before the tenth (10th) day of each month (for accounting and payroll services rendered the prior month) a monthly accounting fee equal to $1,000 (the "Accounting Fee"), and

(c) In consideration of certain pre-opening services to be performed prior to the Commencement Date, Manager shall be paid a pre-opening services fee "**Pre-Opening** Project Management Fee" equal to $75,000 The fee shall be paid as follows 50% or $37,500 on the Effective Date, and $37,500 on the Commencement Date ~~Project~~**Pre-Opening project** management services are to include services described in Section 4 1(p)~~, and~~.

(d) If Owner requests Manager to provide construction management services, in consideration of services performed prior to the Commencement Date by Manager at Owner's request, Manager shall be paid an "Optional Construction Management Fee" equal to $50,000 for construction project management services rendered in connection with the completion of the build-out under the Lease The fee shall be paid as follows. 50% or $25,000 on the Effective Date, and $25,000 on the Commencement Date. No Optional Construction Management Fee shall be payable if Owner does not request Manager to provide such services

Manager shall be authorized to withdraw the Management Fee, ~~Project Management Fee, and~~ Incentive Management Fee (subject to Schedule 10 1(a)) **Accounting Fee, Pre-Opening Project Management Fee, Optional Construction Management Fee,** and other fees and reimbursable expenses due Manager, so long as such fees or expenses are set forth in the **approved** Annual Business Plan or otherwise approved under this Agreement, from the Operating Funds or any other funds available for such purpose

Section 10 2 **Special** Project Management and Capital Purchasing Owner and Manager agree that any capital improvements (exceeding $10,000 per single project) will be implemented by Owner, but if Owner requests that such programs be supervised by Manager, those services are beyond the scope of this Agreement, and, if such services are requested by Owner, Owner shall

pay Manager an additional fee for such services ("**Special** Project Management Fee") equal to ~~five percent (5%)~~ of the cost of such capital improvements Any and all capital improvements costs will be borne by Owner and **Special** Project Management Fees shall only be payable if authorized in writing by Owner Owner and Manager acknowledge that there may be certain other renovations, repairs or capital improvements that fall below the $10,000 threshold (i e exercise rooms) whereby design and other detailed services are required that may support a **Special** Project Management Fee and in such event such additional fees for such services shall, if Owner elects to use Manager (or its applicable Affiliate) to implement same, be negotiated in good faith between Owner and Manager (or Manager's applicable Affiliate) Notwithstanding anything to the contrary contained herein, no **Special** Project Management Fee or similar fee for renovations, repairs or capital improvements shall be paid to Manager unless prior to commencement of such capital improvements, renovations or repairs, Owner and Manager agree in writing to the scope of services to be provided by Manager in connection with any such capital improvements, renovations, or repairs and the amount of the **Special** Project Management Fee or similar fees or compensation to be paid to Manager in connection therewith

Section 10 3 Reimbursement of Expenses Owner shall be responsible for the payment of all costs and expenses incurred by the Lab through the actions of Manager pursuant to and in accordance with the Operating Budget and this Agreement, including, without limitation, variable costs attributable to incremental income such as meetings, events and the like Owner shall reimburse Manager within ~~thirty (30)~~ days after Owner receives written notice from Manager for any such costs and expenses that Manager has paid in accordance with this Agreement If Owner fails to reimburse Manager for any such amount under this Section 10 4 within such ~~thirty (30)~~ day period, such amount shall thereafter accrue interest at ~~one percent (1 0%)~~**1%** per month, from the end of such ~~thirty (30)~~ day period until paid Nothing contained in this Agreement shall be deemed to require Manager to advance any funds on behalf of the Lab or Owner

~~Section 10 4 Irrevocability of Agreement In order to realize the full benefits contemplated by the parties, the parties intend that this Agreement shall be non-terminable, except for the specific termination rights in favor of a party set forth in this Agreement Accordingly, notwithstanding anything to the contrary in this Agreement, to the fullest extent permitted under applicable law, the parties hereby unconditionally and irrevocably waive and disclaim all rights to terminate this Agreement at law or in equity, except as expressly set forth in this Agreement~~

ARTICLE XI
INSURANCE, DAMAGE AND CONDEMNATION

Section 11 1 Insurance Manager shall procure and maintain from and after the Effective Date, at Owner's cost and expense except to the extent provided otherwise on Exhibit B, the insurance policies for the business or otherwise described on Exhibit B or as otherwise required under the Lease in amounts sufficient to reasonably and adequately protect Owner and Manager against loss or damage arising in connection with the ownership, management and operation of the Lab Owner assumes all risks of, and Manager shall bear no responsibility for, coverage that is determined to be inadequate These policies will be in the name of Owner and the liability policy will name Manager as an additional insured All insurance policies (i) contain provisions for at least ~~thirty (30)~~ days' notice to the named insured prior to cancellation with the exception of

cancellations for non-payment of premium for which there is a ~~ten (10)~~ -day notice prior to cancellation, (ii) shall be issued by financially sound and reputable insurers with an AM Best rating of at least A-VI, (iii) {Omitted}, and (iv) shall be provided at Owner's expense Owner and Manager shall notify the other immediately in the event they receive notice of cancellation of any insurance policy Any such insurance may be provided under the Serendipity Labs Inc insurance policy, which policy covers other similar properties managed by Manager or owned or operated by Owner or owned or operated by Manager All premiums, costs and expenses shall be allocated among the properties participating under such program in accordance with generally accepted underwriting standards Any deductibles shall be subject to Owner's written approval and shall be paid by Owner Owner and Manager shall be provided certificates evidencing the insurance coverages required pursuant to this Section 11 1 and Section 11 2 on or before the Effective Date, and upon any and all subsequent renewals thereof

Section 11 2 Other Insurance Other insurance shall be maintained as required by Laws, **the Lease,** or if deemed advisable by **Owner or** Manager ~~or Owner~~ and approved by Owner, to fully protect Owner~~,~~ **and** Manager ~~and (as required by the Lease)~~ against loss or damage arising in connection with the ownership, management and operation of the Lab

Section 11 3 Force Majeure If any act of God, acts of war, acts of terrorism, civil disturbance, labor strikes, governmental action (including, without limitation, the revocation or denial of any license or permit necessary for the operations contemplated in this Agreement where such revocation or denial is not due to Owner and/or Manager's acts or omissions) or any other causes beyond the control of Owner and/or Manager, will, in Owner and/or Manager's reasonable opinion, materially and adversely affect the safe and orderly operation of the Lab, then Manager and/or Owner may, at its option, terminate this Agreement upon ~~sixty (60)~~ days' prior written notice to the other party and neither Owner nor Manager shall have any further liability to the other under this Agreement

ARTICLE XII
TERMINATION

Section 12 1 Right of Termination If a Termination Event occurs, the party not committing or causing the Termination Event may terminate this Agreement upon ~~thirty (30)~~ days' prior written notice to the party committing or incurring the Termination Event Notwithstanding the foregoing, if such Termination Event is due to the occurrence of any of the events set forth in Section 12 2(a)(i) or 12 2(b), Manager may terminate this Agreement on ~~five (5)~~ days prior written notice to Owner In addition, this Agreement may be terminated as expressly set forth in this Agreement Termination shall only be effective if all terms and conditions are complied with for terminating this Agreement

Section 12 2 Termination Events As used herein, the term "Termination Event" shall mean the occurrence of any of the following events

(a) The failure by either party, to keep, observe, or perform any material representation, warranty, covenant, agreement, term, condition or provision to be kept, observed, or performed by such party including, without limitation, the failure to pay to the other party any

sums as and when they become due hereunder, and such default shall continue uncured either (i) if a monetary default, for a period of ~~five (5)~~ days after the defaulting party's receipt of written notice thereof from the non-defaulting party, and (ii) if a non-monetary default, for a period no longer than ~~thirty (30)~~ days after the defaulting party's receipt of written notice thereof, which ~~thirty (30)~~ -day period shall be extended as necessary if the cure reasonably takes more than ~~thirty (30)~~ days and if the defaulting party is diligently attempting to cure such default

(b) The failure by Owner to maintain the Required Minimum Amount in the Agency Account, and such default shall continue uncured for a period of ~~five (5)~~ days after receipt of notice of such failure from Manager~~, provided that a Termination Event shall not be deemed to have occurred under this Section 12 2(b) if due to Manager's failure to make additional capital contributions pursuant to the Operating Agreement~~

(c) The making by either party of a general assignment for the benefit of creditors, or a petition of application by either party to any tribunal for the appointment of a trustee, custodian, receiver or liquidator of all or substantially all of its business, estate or assets, or the commencement by or against either party of any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment or debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect

(d) The entering of an order appointing a trustee, custodian, receiver or liquidator of all or substantially all of the assets of either party, and such order shall remain in effect for more than ~~ten (10)~~ days

(e) The failure by either party to generally pay its debts as they become due or the suffering by either party of any writ of attachment or execution or any similar process to be issued or levied against it or any substantial part of its property which is not released, stayed, bonded or vacated within ~~ten (10)~~ days after its issue or levy

(f) The Lab fails to achieve the Financial Target for any ~~fiscal year~~**Fiscal Year** and ~~the~~ Owner elects to ~~Terminate~~**terminate** pursuant to ~~section 17 9~~**Section 17.19** below

(g) Any material license held by Manager and necessary for the performance of its duties or services hereunder shall be terminated or suspended, due solely to Manager's mismanagement, and Manager does not arrange for the reinstatement of such license promptly after becoming aware of its termination or suspension

(h) Manager, or any of its directors, officers, employees, agents or other representatives, misappropriates any funds of Owner in violation of any Law or this Agreement, and Manager does not, within 10 days after Manager's discovery thereof, (i) make full restitution thereof, and (ii) permanently bar the director, officer, employee, agent or other representative who misappropriated such funds from acting in any capacity with respect to the Lab

Section 12 3 Termination Upon Sale of Lab This Agreement may be terminated by Owner or Manager upon the assignment or other disposition of the Lease and/or the sale or other disposition of the Lab to an unaffiliated third -party purchaser (a "New Owner") in an arm's length

transaction ("Sale of the Lab"), and if such Termination occurs within the first full ~~sixty (60)~~ months after the Commencement Date, a Sale Termination Fee shall be paid to Manager in an amount equal to the Management Fees and Accounting Fees paid or payable for the ~~six (6)~~ full calendar months immediately preceding the Termination Date unless Manager continues to manage or operate a Serendipity Labs business for a New Owner, in which event no Sale Termination Fee will be due Payment of the Sale Termination Fee will be in addition to, and will no way be deemed to limit, payment to Manager of all Management Fees, Accounting Fees and other amounts of reimbursable expenses accrued and unpaid as of the Termination Date Notwithstanding anything herein to the contrary, no Sale Termination Fee will be due or payable to Manager in conjunction with a Sale of the Lab from and after the ~~sixtieth (60th)~~ full month anniversary of the Commencement Date

Section 12 4 Termination for Convenience This Agreement may be terminated by Owner, with 30 days' written notice, for any reason or no reason (a "Termination for Convenience") after 12 months from the Commencement Date as follows if such Termination for Convenience occurs within the first full ~~thirty (36)~~ months after the Commencement Date, a Termination Fee shall be paid to Manager in an amount equal to the average monthly Management Fees and Accounting Fees paid or payable for the ~~three (3)~~ full calendar months immediately preceding the Termination Date multiplied by ~~twelve (12)~~ **12.** If such Termination for Convenience occurs after the 36th month after the Commencement Date and before the 48th month after the Commencement Date, then a Termination Fee shall be paid to the Manager in an amount equal the average monthly Management Fees and Accounting Fees paid or payable for the ~~three (3)~~ calendar months immediately preceding the Termination Date multiplied by ~~six (6)~~ **6.** If such Termination for Convenience occurs after the 48th ~~Month from~~**month after the** Commencement **Date,** the Termination Fee shall be equal to the average monthly Management Fee and Accounting Fee for the ~~three (3)~~ calendar months immediately preceding the Termination Date multiplied by ~~three (3)~~ **3.**

Section 12 5 Remedies Upon any Termination Event committed or caused by Manager (a "Manager Default"), the sole remedy of Owner shall be to terminate this Agreement, provided that if Manager commits gross negligence, intentional misconduct, fraud or an intentional tort, Owner may seek any damages available to Owner in law or in equity related to such gross negligence, intentional misconduct, fraud or an intentional tort Upon any Termination Event committed or caused by Owner, the sole remedy of Manager shall be to terminate this Agreement Notwithstanding the foregoing, Owner and Manager each waive and agree that they shall have no right to seek or recover consequential or punitive or other damages upon any breach or default under this Agreement unless Manager commits gross negligence, intentional misconduct, fraud or an intentional tort A termination shall not limit or terminate rights to indemnification set forth in Section 16 1 and Section 16 2

Section 12 6 Payment of Outstanding Fees and Expenses The termination of this Agreement for any reason shall not relieve any party of any accrued but unpaid payment obligations to the other party, and all accrued fees and expenses shall be paid in full on or before the Termination Date and such payment shall be a condition of such termination being effective

Section 12 7 Rebates and Discounts Because of its purchasing power derived through its operations of other properties, its management of the Lab and its management or franchising of

other similar labs, Manager and/or its affiliates may from time to time negotiate rebates and discounts from the vendors of certain products and services Manager agrees that the portion of such rebates and discounts reasonably allocable to the Lab will be promptly passed on to ~~the~~ Owner and shown on the Financial Statements

Section 12 8 Post-termination In the event Owner has complied with its obligations hereunder, for a period of ~~thirty (30)~~ days after the Termination Date, Manager shall reasonably cooperate with Owner in the transition and orderly transfer of management of the Lab to Owner or Owner's designated agent and Owner shall reimburse Manager for all reasonable costs and expenses incurred by Manager in connection with its post-termination obligations hereunder Manager shall prepare a final accounting of Lab operations and disburse to Owner funds held by Manager on behalf of Owner, less a reserve agreed upon by ~~the~~**Owner and** Manager~~ and Owner~~ for accrued and estimated contingent liabilities and estimated outstanding insurance claims or obligations If assignable, Manager shall assign and transfer operating licenses and permits used in the operation of the Lab, issued in the name of Manager, to Owner or its designated agent In the event licenses and permits are not assignable or transferable, Manager shall reasonably cooperate with Owner to cause such licenses and permits to be reissued in the name of Owner or its designated agent **Any successor manager engaged by Owner shall have the right to attempt to hire any staff members then working at the Lab Owner agrees not to initiate or permit a successor manager to initiate communication with any staff members working at the Lab regarding future employment opportunities unless and until notice of termination of this Agreement has been given**

ARTICLE XIII
REPRESENTATIONS AND COVENANTS

Section 13 1 Mutual Representations and Warranties Owner and Manager each represent and warrant as to itself, as applicable, that (a) all Recitals and representations in this Agreement are true and correct, (b) each of **Owner and** Manager~~ and Owner~~ are duly formed or organized, validly existing and in good standing under applicable Laws, (c) all requisite company, partnership or corporate action has been taken to permit each of **Owner and** Manager~~ and Owner~~ to enter into this Agreement and to carry out the terms hereof, (d) the manager, officer or partner signing this Agreement is authorized to do so, and (e) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any Laws, (ii) result in or constitute a breach or default under any indenture, contract or other commitment or restriction to which **Owner and** Manager~~ or Owner~~ is a party or by which either is bound, (iii) require any consent, vote or approval which has not been obtained, or (iv) result in the creation or imposition of any lien or encumbrance upon the Lab or breach any instrument affecting the Lab

Section 13 2 Owner's ~~Representation~~**Representations** and Covenants Owner represents, warrants and covenants to Manager as follows

(a) Owner has full power and authority to enter into this Agreement, and Owner's execution shall not breach any instrument affecting the Lab

(b) Owner has, and throughout the Term ~~of this Agreement~~ shall maintain, a valid ownership interest in the Lab (**or valid** leasehold in the Leased Premises) and shall own or lease the FF&E and Operating Equipment, free and clear of all liens and encumbrances except those that do not materially affect the operation of the Lab by Manager

(c) During the Term ~~of this Agreement~~, Owner shall use commercially responsible efforts to pay, keep, observe and perform all payments, terms, covenants, conditions and obligations to be made, kept, observed or performed by Owner under any lease, license, franchise, concession or other agreement or security instrument with respect to the Lab, and shall keep such agreements and instruments in full force and effect, provided that nothing in this Section 13 2(d) shall limit Manager's obligations under this Agreement

(d) Manager, so long as it is not in default under this Agreement, shall have the right to peacefully and quietly possess, manage and operate the Lab during the Term ~~of this Agreement~~, but only in accordance with the terms of this Agreement, and Owner, shall, at its sole expense, undertake to assure such peaceful and quiet possession by Manager unless Owner is unable to do so because of the acts of Manager, its employee or agent Manager's rights under this Section 13 2(e) shall be subject to the Lease

(e) Other than matters disputed in good faith, all obligations of Owner are current and not more than ~~thirty (30)~~ days past the date incurred or invoiced

Section 13 3 Manager's ~~Representation~~**Representations** and Covenants Manager represents, warrants and covenants to Owner as follows

(a) Manager has full power and authority to enter into this Agreement, and Manager's execution shall not breach any instrument affecting the Lab

(b) During the Term ~~of this Agreement~~, Manager shall use commercially reasonable efforts to pay, keep, observe and perform all payments, terms, covenants, conditions and obligations to be made, kept, observed or performed by Manager under any lease, license, franchise, concession or other agreement or security instrument with respect to the Lab, and shall keep such agreements and instruments in full force and effect

(c) Other than matters disputed in good faith, all obligations of Manager are current and not more than ~~thirty (30)~~ days past the date incurred or invoiced

ARTICLE XIV
ASSIGNMENT

Section 14 1 Assignment by Owner Owner shall not assign or transfer or permit the assignment or transfer of this Agreement or any of Owner's rights and obligations hereunder without the prior written consent of Manager **Notwithstanding the foregoing, Owner may assign this Agreement without Manager's consent to any Affiliate of Owner or to any successor or assignee that may result from the merger, consolidation or reorganization of Owner or its Affiliate, provided that any such assignee shall assume and agree in writing to**

be bound by all of the terms and conditions set forth in this Agreement. Owner shall deliver promptly to Manager a copy of any instrument of assignment.

Section 14 2 Assignment by Manager Manager shall not assign or transfer or permit the assignment or transfer of this Agreement or any of Manager's rights and obligations hereunder without the prior written consent of Owner, which consent may be withheld by Owner in its ~~sole~~ discretion Manager shall deliver to Owner a copy of any instrument of assignment

ARTICLE XV
TAXES

Section 15 1 Taxes All Taxes accruing during the Term ~~of this Agreement~~ shall be paid by Owner or by Manager, upon Owner's request, from Operating Funds or funds provided by Owner before any fine, penalty or interest is added thereto or lien is placed upon the Lab, unless payment thereof is, in good faith, being contested by Manager and/or Owner and enforcement thereof is stayed Owner may pay such Taxes in installments to the extent permitted by applicable Laws If payment is to be made by Manager, Owner shall promptly, after receipt, forward all notices of, and invoices for, the Taxes to Manager and Manager shall, upon request of Owner, deliver proof of such payment If payment is made by Owner, Owner shall, upon request of Manager, deliver proof of payment of the Taxes If Owner fails to timely pay any Taxes, Manager may, but is not obligated to, pay such Taxes on Owner's behalf from any available funds in the Agency Account, following which Owner shall immediately replenish the Agency Account in the amount of the Taxes paid by Manager Manager's responsibilities specifically exclude the preparation, filing or contesting of Taxes, unless requested by Owner in writing, on the condition that the cost of such preparation, filing or protest shall be paid by Owner Owner shall indemnify Manager from and against any costs, expenses, liabilities and claims relating to the payment or nonpayment of Taxes, except to the extent that Manager fails to pay such Taxes when Owner has made funds available for the same, in that event Manager shall indemnify Owner from and against any costs, expenses, liabilities and claims relating to the payment or nonpayment of Taxes

ARTICLE XVI
INDEMNIFICATION AND LIMITATION OF LIABILITY

Section 16 1 Indemnification by Owner Owner hereby indemnifies, defends and holds harmless Manager and its Affiliates and each of their respective officers, directors, shareholders, employees, representatives and agents (collectively, the "Manager Indemnitees"), from and against any and all actual losses, costs, damages, liabilities, claims, demands, actions and causes of action and expenses whatsoever (including, without limitation, reasonable attorneys' fees and court expenses), incurred by the Manager Indemnitees arising out of, as a result of, (i) any breach of this Agreement by Owner, or (ii) the proven fraud, intentional misconduct or negligence of Owner Owner may apply the proceeds of any available insurance to the payment of any claim under the indemnity set forth in this Section 16 1 The provisions of this Section 16 1 shall survive the expiration or termination of this Agreement and shall be binding upon Owner's successors and assigns Any indemnification hereunder shall apply regardless of whether or not said claim, damage, loss or expense is covered by insurance as herein, provided, however, the indemnified party shall not be entitled to a duplicate recovery with respect to a claim, damage, loss or expense

The Manager Indemnitees shall not invoke this indemnity for anything to the extent covered by insurance or where the aggregate amount of Manager Indemnitees' losses is less than $10,000

Section 16 2 Indemnification by Manager Manager hereby indemnifies, defends and holds harmless Owner, and its Affiliates and each of their respective members, officers, directors, shareholders, employees, representatives and agents (collectively, the "Owner Indemnitees") from and against any and all actual losses, costs, damages, liabilities, claims, demands, actions and causes of action, and expenses whatsoever (including, without limitation, reasonable attorneys' fees and court expenses), incurred by **the** Owner Indemnitees as a result of (i) the proven fraud, intentional misconduct or negligence of Manager and any Manager Employment Liabilities, (ii) any action taken by Manager which is beyond the scope of Manager's authority under this Agreement, or (iii) any breach of this Agreement by Manager Manager may apply the proceeds of any available insurance to the payment of any claim under the indemnity set forth in this Section 16 2 The provisions of this Section 16 2 shall survive the expiration or termination of this Agreement and shall be binding upon Manager's successors and assigns, notwithstanding anything to the contrary in this Agreement Any indemnification hereunder shall apply regardless of whether or not said claim, damage, loss or expense is covered by insurance as herein, provided, however, the indemnified party shall not be entitled to a duplicate recovery with respect to a claim, damage, loss or expense **The Owner Indemnitees shall not invoke this indemnity for anything to the extent covered by insurance or where the aggregate amount of Owner Indemnitees' losses is less than $10,000**

Section 16 3 Continuing Rights Any repeal or modification of Section 16 1 or Section 16 2 shall not adversely affect any right or protection of ~~the~~**Owner or** Manager ~~or Owner~~ existing at or prior to the time of such repeal or modification

ARTICLE XVII
MISCELLANEOUS

Section 17 1 Severability Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Laws, but if any provision of this Agreement shall be prohibited by or invalid under applicable Laws, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement

Section 17 2 No Waiver The failure of either party to insist upon strict performance of any of the terms or provisions of this Agreement or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party

Section 17 3 Agency The relationship of Owner and Manager shall be that of principal and agent Nothing contained in this Agreement shall be construed to create a partnership or joint venture between them or their successors in interest Neither party shall borrow money in the

name of, or pledge the credit of, the other ~~Manager's agency established by this Agreement is coupled with an interest and may not be terminated by Owner except in accordance with the terms hereof, which agency shall be deemed terminated upon proper termination of this Agreement~~

Section 17 4 Consents Except as otherwise provided herein, whenever the consent or approval of Owner or Manager is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned or delayed Such consent or approval shall be in writing only and shall be duly executed by an authorized officer or agent of the party granting such consent or approval

Section 17 5 Successors Bound This Agreement shall be binding upon and inure to the benefit of Owner and Manager, and each party's successors and permitted assigns

Section 17 6 Notices Notices, statements and other communications to be given under the terms of this Agreement shall be in writing and personally delivered or sent by certified or registered mail or by Federal Express or other similar overnight mail service to the address for each party set forth below or at such other address as from time to time is designated by either party in writing Notices, demands and requests which shall be served upon either party in the foregoing manner, shall be deemed served or given for all purposes hereunder at the time such notice, demand or request shall be personally delivered or received or when delivery is refused

MANAGER Serendipity Labs Management, LLC
700 Canal Street
Stamford, Connecticut 06902
(855) 801-7757
Email: john@serendipitylabs com
Attention: John P Arenas

OWNER **{Owner Name}**

{Owner Street}
{Owner City}
{Owner Telephone}
Email: {Owner Email}
Attention: {Owner Signatory}

Section 17 7 Entire Agreement This Agreement~~,~~ (including ~~all exhibits and schedules which are hereby incorporated into~~**the Attachments and Schedules to** this Agreement ~~by this reference,~~ constitutes the entire ~~Agreement~~**, full and complete agreement** between ~~the parties~~**Manager and Owner** relating to the subject matter hereof**,** and supersedes all prior ~~understandings and writings, and may be amended only by a written agreement signed by the parties hereto~~**representations, understandings or agreements among or between Manager, Franchisor, Owner and Affiliates of Manager, Franchisor or Owner relating to the subject matter hereof, except the representations of Franchisor in the Franchise Disclosure**

Document provided to Owner in connection with the execution of this Agreement Nothing in this Agreement is intended to disclaim the representations of Franchisor in the Franchise Disclosure Document. No amendment, change or variance from this Agreement shall be binding on any party unless mutually agreed to by all of the parties and executed by their authorized officers or agents in writing

Section 17 8 CPI Adjustment Wherever an exact dollar amount is provided in this Agreement that amount shall be adjusted each Fiscal Year to reflect changes in the CPI, using that index for the January immediately preceding the date of this Agreement and the stated dollar amounts in this Agreement as the base for all future calculations Such calculations shall be cumulative

Section 17 9 Trade Names Trade names, trademarks and service marks of both **Owner and** Manager ~~and Owner~~ may be used by either party in connection with the management and operation of the Lab during the ~~term of this Agreement~~**Term**, on the condition that neither party shall thereby acquire any right to such name or mark Upon termination of this Agreement, each party shall discontinue using any such names and marks of the other in the conduct of its business, and shall not intentionally engage in any business or advertising practice that could lead the public to believe that there is any continuing relationship, affiliation or identity with **Owner or** Manager ~~or Owner~~ as to the Lab

Section 17 10 Third Parties No obligation of either party hereunder shall be enforceable by any person or entity other than the parties hereto

Section 17 11 Further Instruments The parties shall execute and deliver all other appropriate agreements and instruments as may reasonably be required to give effect to the transactions contemplated hereby

Section 17 12 Arbitration Notwithstanding anything in this Agreement to the contrary, any controversy or claim arising out of or relating to this Agreement or the interpretation or breach thereof that cannot be resolved by mutual agreement shall be settled exclusively by final and binding arbitration in accordance with the then prevailing rules of the American Arbitration Association (the "Association"), and judgment upon the award rendered may be entered in any court having jurisdiction thereof The arbitration proceeding shall be held in ~~Westchester~~**Fairfield** County, ~~New York~~**Connecticut** before a single arbitrator, provided, however, that any award pursuant to such arbitration shall be accompanied by a written opinion of the arbitrator giving the reasons for the award The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto and specifically enforceable in any court in ~~New York~~**Connecticut** The cost of arbitration shall be divided equally among the litigants and each party shall pay its own expenses, including attorneys' fees The arbitrator shall be required to follow legal precedent and the statutory laws and regulations of the State of ~~New York~~**Connecticut** and any state or municipal agency The arbitrator shall not be permitted to award common law or statutory, punitive or exemplary damages to any party The parties to this Agreement hereby irrevocably submit to the exclusive in personam jurisdiction of the state and federal courts located in ~~Westchester~~**Fairfield** County, ~~New York~~**Connecticut**, in connection with all matters relating to this Agreement or its enforcement (including, without limitation, the enforcement of any related documents, instruments

or agreements), and hereby irrevocably waive, and agree not to assert in any suit, action or proceeding, any claim that they are not personally subject to the jurisdiction of any such court, or that such suit, action or proceeding is improper The parties to this Agreement hereby irrevocably waive personal service of process and consent to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agree that such service shall constitute good and sufficient service of process and notice thereof Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law Notwithstanding anything in this Section 17 12 to the contrary, any party shall be entitled to seek injunctive or other equitable relief in any court of competent jurisdiction

Section 17 13 Counterparts This Agreement may be executed simultaneously in various counterparts, each of which shall deemed an original, and all of which together shall constitute one and the same instrument

Section 17 14 Estoppel Certificate Owner and Manager shall, upon request of the other party, each deliver within ~~ten (10)~~ days of such request, an estoppel certificate relating to this Agreement in form and substance reasonably satisfactory to the requesting party

Section 17 15 Applicable Law This Agreement shall be governed by the laws of the State of ~~New York~~**Connecticut**

Section 17 16 Projections Owner acknowledges that any written or oral projections, pro formas, or other similar information that has been (prior to execution of this Agreement) or will (during the Term) be provided by Manager (or any Affiliate of either) to Owner is for information purposes only, and that Manager, and any such Affiliate do not guarantee that the Lab will achieve the results set forth in any such projections, pro formas, or other similar information Owner further acknowledges that any such projections, pro formas, or other similar information are based on assumptions and estimates, that unanticipated events may occur subsequent to the date of preparation of such projections, pro formas, and other similar information, and that the actual results achieved by the Lab are likely to vary from the estimates contained in any such projections, pro formas, or other similar information and such variations might be material

Section 17 17 Co-Employment Owner consents to Manager's employment of employees in a ~~Co-Employer~~**co-employer** arrangement **with a third-party provider** Irrespective of **the terms of** such ~~Co-Employer~~**co-employer** arrangement, ~~all employees~~ for purposes of this Agreement**, all co-employees** shall be deemed employees of Manager ~~and Manager shall be, related to such co-employees, provided the indemnifications and other protections in favor of Manager set forth in this Agreement as if such employees were solely the employees of Manager Prior to the anticipated Effective Date, if requested by Manager, Owner agrees to execute and deliver an acknowledgment of the human resources outsourcing arrangement between Manager (and its Affiliates) and Trinet, Inc ("Trinet") containing substantially those provisions set forth on Schedule 17 17 attached hereto, which, in any event, are incorporated into this Agreement by reference and are binding~~

Section 17 18 Confidentiality and Non-Competition Manager agrees to be bound by the same confidentiality and non-competition covenants as those that are binding on Owner under the Franchise Agreement, and agrees that Owner, Franchisor or both of them shall have the right to enforce those covenants against Manager

Section 17 19 Performance Termination

(a) Subject to the provisions of this Section 17 19, Owner shall have the right to terminate this Agreement in accordance with this Section 17 19, without payment **by Owner** of any termination fee or **monetary** penalty ~~payable by Owner~~, if, based on review of the annual financial statements for the Lab (subject to Owner's right to contest the accuracy thereof) for any full Fiscal Year, (i) commencing with the ~~2018~~**2019** Fiscal Year (each a "Measurement Year"), the Lab's gross operating profit as indicated in the Operating Budget for each such Measurement Year EBITDA is less than the Financial Target, provided, however, Owner and Manager shall make an equitable adjustment in the Gross Operating Profit if the failure of Gross Operating Profit to meet the foregoing levels was due to (i) any interruptions in the operation of or access to the Lab or any of its essential services on account of an interruption in any one or more of the utility services, or on account of labor disputes, strikes, lockouts, fire or other casualty, war, terrorist actions, acts of God and other similar causes beyond the reasonable control of Manager, (ii) a major renovation or repairs at the Lab which materially disrupt Lab operations, (iii) any default by Owner under this Agreement that materially and negatively affects the Lab's performance and is not cured by Owner within the applicable cure period, or (iv) failure of Owner to provide Operating Funds in accordance with the ~~approved Annual~~ Operating Budget

(b) Owner may terminate this Agreement pursuant to this Section 17 19 by giving Manager notice thereof within ~~sixty (60)~~ days after Owner receives the annual financial statements for the subject Measurement Year, such termination to be effective ~~ten (10)~~ days (or such longer period as may be requested by Owner) after Owner gives its notice If Owner does not give either notice set forth in this paragraph within the required period, Owner's right to terminate for such Measurement Year shall be null and void, but such waiver shall not be deemed to affect Owner's right to terminate in any subsequent year pursuant to this Section 17 19

{REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK}

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

MANAGER

Serendipity Labs Management, LLC

By _____
Name ~~{Manager Signatory}~~**John P. Arenas**
Title ~~{Manager Signatory Title}~~**CEO**

OWNER·

{Owner Name}

By _____
Name {Owner Signatory}
Title {Owner Signatory Title}

EXHIBIT A

DESCRIPTION OF LEASED PREMISES

{

}

EXHIBIT B

INSURANCE COVERAGE

Manager, at Owner's expense, shall at all times keep the Lab insured with the kinds and amounts of insurance described below or as required by the Lease

(i) Personal property insurance on the "Special Causes of Loss Form" (formerly "All Risk" form) (including earthquake and flood in reasonable sub-limits and deductibles as determined by Owner) and including operation of building laws/increased cost of construction and debris removal endorsements, in an amount not less than 100% of the full replacement cost thereof (as defined below), with all coinsurance waived, on all personal property of Owner or the Lab,

(~~iii~~ii) Business Interruption and Extra Expense insurance, insuring Special Causes of Loss perils on an actual loss sustained/gross earnings basis, with all coinsurance waived, and with an extended period of indemnity of at least 180 days,

(~~iv~~iii) Commercial general liability insurance, (ISO - 1986 or broader) with limits of not less than $10,000,000 each occurrence and general aggregate, including Liquor Law Liability Insurance In the event that alcohol is sold, served, or consumed at the Leased Premises, Manager shall (i) comply with all applicable Laws regarding the service and sale of alcohol, and (ii) maintain liquor liability insurance coverage in an amount reasonably acceptable to Owner,

(~~v~~iv) Insurance covering such other hazards and in such amounts as may be customary for comparable properties in the geographic area of the Lab as may be reasonably requested by Owner,

(~~vi~~v) Fidelity bonds covering the Lab's employees and Manager's employees having check signing authority in an amount equal to the greater of $1,000,000 or ~~three (3)~~ months of ~~the~~ estimated Gross ~~Revenues~~**Revenue**, and comprehensive crime insurance to the extent that Owner deems such to be necessary for the Lab (including money and securities and loss inside Lab, loss outside Lab sub-limited at $25,000 each, and depositor's forgery, counterfeit currency and credit card forgery, and third -party crime coverage, each with a limit of $300,000 and a deductible of not more than $1,000),

(~~vii~~vi) Statutory Workmen's compensation insurance and at least $500,000/$500,000/$500,000 Employer's Liability Insurance,

(~~viii~~vii)Employer liability insurance with a minimum per occurrence limit of $1,000,000,

(~~ix~~viii) Business Automobile liability insurance for "All Autos" with a limit of not less than $1,000,000 for each accident, and

Responsibility for Premiums All premiums and costs will be the obligation of ~~the~~ Owner

Replacement Cost The term "full replacement cost" as used herein shall mean the actual replacement cost of the personal property in the Lab without regard to depreciation In the event Owner believes that full replacement cost (the then-replacement cost less such exclusions) has increased or decreased at any time, it shall have the right to have such full replacement cost re-determined

Waiver of Subrogation All property insurance policies carried by **Owner or** Manager ~~or Owner~~ shall expressly waive any right of subrogation on the part of the insurer against the other parties and against the ~~landlord~~**Landlord** under the Lease

Form Satisfactory, etc All of the policies of insurance referred to in this Exhibit B shall be written in a form and with deductibles reasonably satisfactory to Owner To the extent provided for in the Operating Budget or otherwise approved by Owner in writing, Manager shall pay all of the premiums as agent of Owner, as an Operating Expense out of funds in the Agency Account, relating to insurance coverages required to be obtained by Manager and deliver certificates thereof to Owner prior to their effective date and annually thereafter In the event of the failure of Manager either to effect such insurance as herein called for or to pay the premiums therefore, or to deliver such certificates thereof to Owner at the times required, Owner shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums Each insurer mentioned in this Exhibit B shall agree, by endorsement to the policy or policies issued by it, that it will give to Owner at least 30 days written notice before the coverage under such policy or policies in question shall be allowed to expire or be cancelled unless due to non-payment, in which event it shall be 10 days

Increase in Limits If Owner at any time deems the limits and/or retentions of the coverages outlined in this Exhibit B then carried to be either excessive or insufficient, Manager shall implement the limits for such insurance to be carried as required by Owner and such insurance shall thereafter be carried with the limits and/or retentions thus agreed on until further change pursuant to the provision of this Exhibit B

Reports on Insurance Claims Manager shall promptly investigate and make a complete and timely written report to the appropriate insurance company as to all accidents Claims for damage relating to the ownership, operation, and maintenance of the Lab, any damage or destruction to the Lab and the estimated cost of repair thereof shall be prepared by Manager Manager shall prepare any and all reports required by any insurance company as required under the terms of the insurance policy involved, and a final copy of such report shall be furnished to Owner Manager shall be authorized to execute proofs of such loss, in the aggregate amount of $25,000 or less, with respect to any single casualty or other event

SCHEDULE 10 1(a)

INCENTIVE MANAGEMENT FEE CALCULATION

The Incentive Management Fee is an amount equal to 10% of EBITDA for each Fiscal Year in excess of that Fiscal Year's budgeted EBITDA set forth in the **approved** Annual Business Plan

The Incentive Management Fee shall be paid on or before the 5th day after the delivery to Owner of the financial statements for the Fiscal Year in question and after Owner and Manager (acting reasonably) reach an agreement on the amount (if any) of such Incentive Management Fee

EXHIBIT I

FINANCIAL STATEMENTS

Serendipity Labs Franchise International, LLC

Financial Statements

December 31, 2018 and 2017

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Member

We have audited the accompanying balance sheets of Serendipity Labs Franchise International, LLC (the "Company") as of December 31, 2018 and 2017, and the related statements of operations and member's deficit and cash flows for the years then ended and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Serendipity Labs Franchise International, LLC as of December 31, 2018 and 2017 and the results of its operations, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

PKF O'Connor Davies, LLP
April 17, 2019

PKF O CONNOR DAVIES LLP
500 Mamaroneck Avenue, Harrison NY 10528 I Tel: 914 381 8900 I Fax: 914.381 8910 I www.pkfod.com

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Serendipity Labs Franchise International, LLC

Balance Sheets

	December 31,	
	2018	2017
ASSETS		
Cash	$ 4,579	$ 1,118,703
Accounts receivable	278,725	120,599
Prepaid commissions and legal expenses	560,266	351,329
Due from member	1,532,490	-
Property and equipment	591	231
	$ 2,376,651	$ 1,590,862
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
Accounts payable	$ 62,734	$ 63,518
Deferred franchise fees	1,943,750	2,088,750
Deferred development fees	90,000	-
Total Liabilities	2,096,484	2,152,268
Member's equity (deficit)	280,167	(561,406)
	$ 2,376 651	$ 1,590,862

See notes to financial statements

Serendipity Labs Franchise International, LLC

Statement of Operations and Member's Equity (Deficit)

	Year Ended December 31,	
	2018	2017
INCOME		
Franchise and development revenue	$ 870,000	$ 71,250
Royalty income	723,320	226,333
Interest income	357	139
Total	1,593,677	297,722
EXPENSES		
Salaries and fringe benefits	441,026	309,217
Professional fees	142,632	119,904
Travel and entertainment	76,117	49,811
Professional development	30,000	-
Advertising	9,199	9,078
Miscellaneous	2,230	5,387
Depreciation	400	309
Sales commissions	50,500	7,500
Total Expenses	752,104	501,206
Net Income (Loss)	841,573	(203,484)
MEMBER'S DEFICIT		
Beginning of year	(561,406)	(2,095,621)
Member contributions	-	1,737,699
End of year	$ 280,167	$ (561,406)

See notes to financial statements

Serendipity Labs Franchise International, LLC

Statement of Cash Flows

	Year Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 841,573	$ (203,484)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	400	309
Changes in operating assets and liabilities		
Accounts receivable	(158,126)	61,135
Prepaid commissions	(208,937)	(308,329)
Cash held in escrow	-	150,000
Accounts payable	(784)	15,187
Deferred franchise fees	(145,000)	680,000
Deferred development fees	90,000	348,750
Net Cash from Operating Activities	419,126	743,568
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(760)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Member advances and capital contributions	(1,532 490)	139,056
Net Change in Cash	(1,114,124)	882,624
CASH		
Beginning of year	1,118,703	236,079
End of year	$ 4,579	$ 1,118,703
SUPPLEMENTAL DISCLOSURE OF NON CASH FINANCING ACTIVITIES		
Conversion of due to member to capital contribution	$ -	$ 1,598,643

See notes to financial statements

Serendipity Labs Franchise International, LLC

Notes to Financial Statements
December 31, 2018

1 Organization

Serendipity Labs Franchise International, LLC (the "Company") was organized on April 1, 2012 The Company is developing a deep network of enterprise-class upscale co-working labs and refining its operations to establish franchises that will operate under the Serendipity Labs brand Serendipity Labs, Inc was organized to create a network of high performance co-working and collaborating venues that transcend the constraints of headquarters office space and solitary home office

During the year ended December 31, 2018, the Company opened ten (10) new locations in Manhattan NY, Nashville TN, Hollywood CA, Greenwood Village CO, Atlanta Buckhead GA, Alpharetta GA, Columbus Short-North OH, Greenville SC, Frisco TX, and Denver LoDo CO, to have a total of seventeen (17) franchised labs in operation at year end Thru April 2019 a further four franchised labs have been opened Atlanta Cumberland GA, Orlando FL, Phoenix AZ and Pittsburgh PA Together with one wholly owned affiliate lab, this brings the total network of open labs to twenty-two (22)

At December 31, 2018, the Company had Twenty-Seven (27) signed franchise agreements for locations to be opened Phoenix AZ (1), Los Angeles CA (1), Hartford CT (1), Miami FL (1), Orlando FL (2), Tampa FL (1), Atlanta GA (3), Indianapolis IN (2), St Louis MO (2), Charlotte NC (1), Princeton NJ (1), Buffalo NY (2), White Plains NY (1), Memphis TN (#1), Pittsburgh PA (1), North Charleston SC (1), Houston TX (2), Lehi UT (1), Madison WI (1), Wauwatosa WI (1)

Additionally, thru April 2019, Franchisor has signed two additional Franchise Agreements Cincinnati OH and Austin TX

At December 31, 2018, the Company has recorded deferred franchise fees of $1,943,750 with respect to amounts received These amounts will be booked as revenue at the time that the lab commences operations

In addition, as of December 31, 2018, the Company had signed sixteen (16) multi-lab Area Development Agreements with franchisees Atlanta GA (2), Charleston SC, Columbus OH, Denver CO, Dallas Fort Worth TX, Houston TX, Indianapolis IN, Madison WI, Memphis TN, Nashville TN, Orlando FL, Phoenix AZ, Pittsburgh PA, St Louis MO and Tampa FL

These range from franchisee commitments to develop between two and eight labs in each development territory In total, this represents franchisee commitment to open an additional 66 locations over the Franchise Agreements already signed Additionally, thru April 2019, a multi-lab Area Development Agreement for Austin TX has been signed

At December 31, 2018, the Company has recorded $90,000 as deferred development fees This reflects amounts received for development agreements This will be booked as revenues at the time the first lab in a development territory commences operations

2 Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U S GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Revenue Recognition

The Company sells individual franchises as well as development agreements that grant the right to develop Serendipity Labs locations in designated areas The franchise and development agreements typically require the franchisee to pay an initial nonrefundable fee and continuing fees, or royalty income, based upon a percentage of sales Initial franchise fee revenue is recognized upon substantial completion of the services required of the Company as stated in the franchise agreement, which is generally upon the opening of the respective lab Fees collected in advance are deferred until earned Royalty income is based on a percentage of franchisee gross sales and is recognized when earned

Property and Equipment

Additions to property and equipment are recorded at cost Depreciation and amortization are provided using the straight-line method over the useful lives of the respective assets, which are five years The Company reviews its property and equipment whenever events indicate that the carrying amount of any assets may not be recoverable

Advertising Costs

The Company expenses advertising costs as incurred

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes and accordingly does not record a provision for income taxes because the individual member reports its share of the Company's income or loss in its corporate income tax returns As a limited liability company, the liability of the Company's member is limited to the amount of the member's interest

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when they are more likely than not to be sustained Management has determined that the Company had no uncertain tax positions that would require financial statement recognition or disclosure

2 Significant Accounting Policies (*continued*)

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were issued, which date is April 17, 2019

3 Property and Equipment

Property and equipment consists of the following at December 31, 2018

	2018	2017
Office equipment	$ 2,986	$ 2,226
Less accumulated depreciation	(2,395)	(1,995)
	$ 591	$ 231

4 Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash At times, cash balances may exceed federally insured limits

5 Due from Member

Due from member consists of advances to the Company's member The advance does not have any formal repayment terms and an interest rate was not established on the advance as of December 31, 2018 At December 31, 2018, $1,532,490 remains due

* * * * *

Serendipity Labs Franchise International, LLC

Financial Statements

December 31, 2017 and 2016

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Member

We have audited the accompanying balance sheets of Serendipity Labs Franchise International, LLC (the "Company") as of December 31, 2017 and 2016, and the related statements of operations and member's deficit and cash flows for the years then ended and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Serendipity Labs Franchise International, LLC as of December 31, 2017 and 2016 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

PKF O'Connor Davies, LLP
March 20, 2018

PKF O CONNOR DAVIES LLP
500 Mamaroneck Avenue Harrison NY 10528 I Tel 914 381 8900 I Fax 914 381 8910 I www pkfod com

PKF O Connor Davies LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms

Serendipity Labs Franchise International, LLC

Balance Sheets

	December 31,	
	2017	2016
ASSETS		
Cash	$ 1,118 703	$ 236,079
Accounts receivable	120 599	181,734
Prepaid commissions and legal expenses	351,329	43,000
Cash held in escrow on behalf of Company	-	150,000
Property and equipment	231	540
	$ 1,590,862	$ 611,353
LIABILITIES AND MEMBER'S DEFICIT		
Accounts payable	$ 63,518	$ 48,331
Deferred franchise fees	1,140,000	460,000
Deferred development fees	948,750	600,000
Due to Member	-	1,598,643
Total Liabilities	2,152,268	2,706,974
Member's deficit	(561,406)	(2,095,621)
	$ 1,590,862	$ 611,353

See notes to financial statements

Serendipity Labs Franchise International, LLC

Statement of Operations and Member's Deficit

	Year Ended December 31,	
	2017	2016
INCOME		
Franchise and development revenue	$ 71,250	$ 129,232
Royalty income	226,333	7,331
Interest income	139	36
Total	297,722	136,599
EXPENSES		
Salaries and fringe benefits	309 217	298,074
Sales commissions	7,500	22,500
Advertising	9,078	9,075
Professional fees	119,904	175,431
Travel and entertainment	49,811	50 721
Management fee	-	240,000
Depreciation	309	489
Miscellaneous	5,387	6,804
Total Expenses	501,206	803,094
Net Loss	(203,484)	(666,495)
MEMBER'S DEFICIT		
Beginning of year	(2,095,621)	(1,429,126)
Member contribution	1,737 699	-
End of year	$ (561 406)	$ (2,095 621)

See notes to financial statements

Serendipity Labs Franchise International, LLC

Statement of Cash Flows
Year Ended December 31 2017

	Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (203,484)	$ (666,495)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation	309	489
Changes in operating assets and liabilities		
Accounts receivable	61,135	(171,823)
Prepaid commissions	(308 329)	(43 000)
Cash held in escrow	150,000	(150,000)
Accounts payable	15,187	44 728
Deferred franchise fees	680,000	460 000
Deferred development fees	348,750	600,000
Net Cash from Operating Activities	743,568	73,899
CASH FLOWS FROM FINANCING ACTIVITIES		
Member advances and capital contributions	139,056	69,094
Net Change In Cash	882 624	142 993
CASH		
Beginning of year	236 079	93,086
End of year	$ 1,118,703	$ 236,079
SUPPLEMENTAL DISCLOSURE OF NON CASH FINANCING ACTIVITIES		
Conversion of due to member to capital contribution	$ 1,598,643	$ -

See notes to financial statements

Serendipity Labs Franchise International, LLC

Notes to Financial Statements
December 31 2017

1 Organization

Serendipity Labs Franchise International, LLC (the "Company") was organized on April 1, 2012 The Company is developing a deep network of enterprise-class upscale co-working labs and refining its operations to establish franchises that will operate under the Serendipity Labs brand Serendipity Labs Inc was organized to create a network of high performance co-working and collaborating venues that transcend the constraints of headquarters office space and solitary home office

During the year ended December 31, 2017 the Company opened new locations in Columbus, Ohio and Dallas, Texas to have a total of eight labs in operation at year end At December 31, 2017, the Company had 22 signed franchise agreements for locations to be opened in Atlanta (2), Buffalo (2) Charleston, Columbus, Ohio, Denver, Greenville, Houston (2), Indianapolis, Los Angeles, Miami, Nashville, New York City, Orlando, Phoenix Pittsburgh, Princeton, New Jersey, Lehi, Utah, St Louis and Tampa At December 31, 2017, the Company has recorded deferred franchise fees of $1,140,000 with respect to amounts received These amounts will be booked as revenue at the time that the lab commences operations

Subsequent to December 31, 2017, two more labs located in New York City and Nashville have opened

In addition as of December 31, 2017, the Company had signed multi-lab development agreements with franchisees in fourteen cities for a commitment of 79 labs The Company has recorded $948,750 as deferred development fees This reflects amounts received for development agreements This will be booked as revenues at the time the applicable lab commences operations

2 Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U S GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Revenue Recognition

The Company sells individual franchises as well as development agreements that grant the right to develop Serendipity Labs locations in designated areas The franchise and development agreements typically require the franchisee to pay an initial nonrefundable fee and continuing fees, or royalty income based upon a percentage of sales Initial franchise fee revenue is recognized upon substantial completion of the services required of the Company as stated in the franchise agreement, which is generally upon the opening of the respective lab Fees collected in advance are deferred until earned Royalty income is based on a percentage of franchisee gross sales and is recognized when earned

2 Significant Accounting Policies *(continued)*

Property and Equipment

Additions to property and equipment are recorded at cost Depreciation and amortization are provided using the straight-line method over the useful lives of the respective assets, which are five years The Company reviews its property and equipment whenever events indicate that the carrying amount of any assets may not be recoverable

Advertising Costs

The Company expenses advertising costs as incurred

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes and accordingly does not record a provision for income taxes because the individual member reports its share of the Company's income or loss in its corporate income tax returns As a limited liability company, the liability of the Company's member is limited to the amount of the member's interest

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when they are more likely than not to be sustained Management has determined that the Company had no uncertain tax positions that would require financial statement recognition or disclosure

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were issued, which date is March 20, 2018

3 Property and Equipment

Property and equipment consists of the following at December 31, 2017

	2017	2016
Office equipment	$ 2,226	$ 2,226
Less accumulated depreciation	(1,995)	(1 686)
	$ 231	$ 540

4 Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash At times, cash balances may exceed federally insured limits

5 Cash Held in Escrow on behalf of Company

An attorney for a developer held in escrow the development fee and initial franchise fee of that developer until the Company's pre-opening obligations under the developer's agreements have been completed At December 31, 2017, the amount in escrow was $150,000 During 2017 the escrow funds were returned to the developer prior to the Company's pre-opening obligations being completed

6 Due to Member

Due to member consists of advances from the Company's member The advance does not have any formal repayment terms and an interest rate was not established on the advance as of December 31, 2017 At December 31, 2017 the member re-classed the due to member balance to a member capital contribution

* * * * *

NOTICE

THE FOLLOWING FINANCIAL STATEMENT IS PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM

Serendipity Labs
Inspiration at Work

Serendipity Labs Franchise Intl LLC

Serendipity Labs
Balance Sheet

	Month Ending 01/31/2019	Month Ending 02/28/2019	Month Ending 03/31/2019
Assets			
Current Assets			
Liquid Assets	28,359	1,059	51,908
Accounts Receivable, Net	426,143	440,342	398,267
Prepaid Assets	667,308	667,308	667,308
Intercompany Receivable	0	0	183,799
Total Current Assets	1,121,810	1,108,709	1,301,282
Fixed Assets, Net			
Tangible Assets Costs	2,986	2,986	2,986
Accumulated Depreciation	2,416	2,437	2,458
Total Fixed Assets, Net	570	549	528
Investments			
Loans	1,482,490	1,650,992	1,650,992
Total Investments	1,482,490	1,650,992	1,650,992
Total Assets	**$ 2,604,870**	**$ 2,760,250**	**$ 2,952,802**
Liabilities and Equity			
Current Liabilities			
Payable	62,734	97,591	121,245
Accrued Taxes	0	0	(300)
Intercompany Payable	74,802	162,505	239,971
Short-term Loans and Leasing	52,400	48,699	45,000
Total Current Liabilities	189,936	308,795	405,916
Long Term Liabilities			
Long-term Loans and Leasing	5,000	5,000	5 000
Total Long Term Liabilities	5,000	5,000	5,000
Other Liabilities			
Member Security Retainers	1,120,000	1,120,000	1,120,000
Total Other Liabilities	1,120,000	1,120,000	1,120,000
Stockholders Equity			
Additional Paid In Capital	1,977,699	1,977,699	1,977,699
Retained Earnings	(775,753)	(687,764)	(651,245)
Net Income (Loss)	87,988	36,520	95,432
Total Stockholders Equity	1,289,934	1,326,455	1,421,886
Total Liabilities and Equity	**$ 2,604,870**	**$ 2,760,250**	**$ 2,952,802**

SERENDIPITY LABS-CA-0419
48795258,1
48850528,1

Serendipity Labs
Inspiration at Work

Serendipity Labs Franchise Intl LLC
Summary Profit and Loss

	Month Ending 01/31/2019 Actual	Month Ending 02/28/2019 Actual	Month Ending 03/31/2019 Actual	Year To Date 03/31/2019 Actual YTD
Revenue				
Partner Initiation Fees	50,000	0	70,000	120,000
Partner Recurring Fees	112,887	113 545	128 333	354,765
Total Revenue	162,887	113 545	198,333	474,765
Unit Level Cost Accounts	75	0	60	135
Gross Profit	$ 162,812	$ 113 545	$ 198 273	$ 474,630
Operating Expenses				
Overhead Cost Accounts	3,745	1,754	7,201	12,700
Corporate Overhead Cost Accounts	71,078	75 271	95 640	241,989
Total Operating Expenses	74 823	77,025	102,841	254 689
Net Income (Loss)	**$ 87,989**	**$ 36,520**	**$ 95,432**	**$ 219,941**

EXHIBIT J

FRANCHISED AND AFFILIATE-OWNED ~~LABS~~OUTLETS*

Franchisees With Open Franchised ~~Labs~~Outlets* as of December 31, ~~2017*~~2018					
FRANCHISEE	**ADDRESS**	**CITY**	**ST**	**ZIP**	**PHONE NO.**
SLH-Los Angeles 1 LLC Mike Johnston	**3555 West Barton Avenue**	**Hollywood**	**CA**	**90038**	**(914) 908-6775**
Mountain Development Corp Andy Gottesman	700 Canal Street	Stamford	CT	06902	(973) 992-5439
S Labs Denver, LLC Scott Somerville**	**6400 S Fiddlers Green Circle, Suite 250**	**Greenwood Village**	**CO**	**80111**	**(614) 307-0169**
PTB Investment, LLC** Brian Stolar	20807 Biscayne Boulevard Suite 100	Aventura	FL	33180	(973) 346-8200
~~HVSL1 Wacker~~Cool Labs DM, LLC** ~~Mike Johnston~~Paresh Master**	**~~One South Wacker Drive~~100 North point Center East, First and Second Floors**	**~~Chicago~~Alpharetta**	**~~IL~~GA**	**~~60606~~30222**	**~~914~~(850) ~~908~~566-~~6775~~1987**
~~SLW Bethesda~~SLH-Atlanta 1 LLC Mike Johnston	**~~4500 East West Highway~~ 3550 Lenox Road NE,** Suite ~~125~~2100	**~~Bethesda~~Atlanta**	**~~MD~~GA**	**~~20814~~30326**	(914) 908-6775
PTB Investment, LLC** Brian Stolar	45 Broad Street	Ridgewood	NJ	07450	(973) 346-8200
SLU-NYC1 LLC Mike Johnston	**28 Liberty Street**	**New York**	**NY**	**10005**	**(914) 908-6775**
S Labs Columbus, LLC** Scott Somerville	21 East State Street	Columbus	OH	43215	(614) 307-0169
~~SLW Dallas 1,~~S Labs Columbus, LLC** ~~Doug Denman~~Scott Somerville**	**~~2323 Ross Avenue, Suite 200~~900 High Street**	**~~Dallas~~Columbus**	**~~TX~~OH**	**~~75201~~43215**	**~~940 704~~(614) 307-~~2474~~0169**
Plush Mills Labs, LLC Trey Scott**	**200 Easley Bridge Road**	**Greenville**	**SC**	**29611**	**(404) 550-4231**
SLN 1 Partners LLC Dan McEwan**	**159 4th Avenue North, Suites 100 and 200**	**Nashville**	**TN**	**37219**	**(901) 219-4070**

Franchisees With Franchise Agreements Signed, But With Unopened Franchised ~~Labs~~Outlets,~~*~~ as of December 31, ~~2017~~2018*

FRANCHISEE	ADDRESS	CITY	ST	PHONE NO.
Office Labs Arizona 1, LLC** Alex Perchuk	TBD	Phoenix	AZ	(917) 734-1486
SL LA CoWorking, LLC** Teague Hunter	TBD	Los Angeles	CA	(770) 916-0300
CPI S Labs ~~Denver~~, LLC~~**~~ ~~Scott Somerville~~**John Caldwell**	~~6400 Fiddlers Green Circle, Greenwood Village~~**TBD**	~~Denver~~**Hartford**	~~CO~~**CT**	~~614-307~~**(617) 451-**~~0169~~**9800**
Newgard Development Group Inc. **Harvey Hernandez**	**planned for Centro Tower, 151 SE 1st Street**	**Miami**	**FL**	**(305) 938-5707**
Desai Labs I, LLC** Hiren Desai	~~TBD~~**450 South Orange Avenue, Floor 3**	Orlando	FL	(423) 664-5969
Desai Labs II, LLC** **Hiren Desai**	**TBD**	**Lake Mary**	**FL**	**(423) 664-5969**
Cool Labs DM, LLC** Paresh Master	TBD	Tampa	FL	(850) 566-1987
~~Newgard Development Group Inc~~ **Hebert Lab 1, LLC**** ~~Harvey Hernandez~~**David Hebert**	~~planned for Centro Tower, 151 SE 1st Street~~**3225 Cumberland Blvd**	~~Miami~~**Atlanta**	~~FL~~**GA**	~~305-938~~**(404) 307-**~~5707~~**2485**
~~Cool Labs DM, LL~~**Hebert Lab 1, LLC**** ~~Paresh Master~~**David Hebert**	~~100 North Point Center East~~**TBD**	~~Alpharetta~~ **Atlanta**	GA	~~917-734~~**(404) 307-**~~1486~~**2485**
~~Cool Labs DM~~**SL Dunwoody**, LLC** Paresh Master	~~TBD~~**121 Perimeter Center West**	Atlanta	GA	~~917-734~~**(850) 566-**~~1486~~**1987**
Office Labs Indiana 1, LLC** **Alex Perchuk**	**571 Monon Blvd,**	**Carmel**	**IN**	**(917) 734-1486**
Office Labs ~~Indiana 1,~~**Bottleworks** LLC** Alex Perchuk	~~TBD~~**860 Massachusetts Ave**	Indianapolis	IN	(917) 734-1486
RETKO Group LLC** Rob Bowman	TBD	St Louis	MO	(800) 736-8669 ext 609
SLSTL LLC** **Rob Bowman**	**TBD**	**St. Louis**	**MO**	**(800) 736-8669 ext. 609**
Dahlia Trades LLC **Trey Scott**	**1213 West Morehead Street**	**Charlotte**	**NC**	**(404) 550-4231**
Mountain Development Corp Andy Gottesman	13040 Rozele Road	Princeton	NJ	(973) 992-5439
~~SLU-NYC 1, LLC~~ ~~Mike Johnston~~	~~28 Liberty Street~~	~~New York City~~	~~NY~~	~~914-908-6775~~

Franchisees With Franchise Agreements Signed, But With Unopened Franchised ~~Labs~~Outlets,* as of December 31, ~~2017~~2018*				
FRANCHISEE	**ADDRESS**	**CITY**	**ST**	**PHONE NO.**
Ciminelli Real Estate Paul Ciminelli	planned for 50 Fountain Plaza	Buffalo	NY	(716) 631-8000
Ciminelli Real Estate Paul Ciminelli	planned for 100 High Street	Buffalo	NY	(716) 631-8000
~~S Labs Columbus~~**44 SB Serendipity**, LLC~~**~~ ~~Scott Somerville~~**Joe Chehova**	~~TBD~~**44 South Broadway**	~~Columbus~~ **White Plains**	~~OH~~**NY**	~~614 307~~**(212) 692-**~~0169~~**5405**
Office Labs Pittsburgh 1, LLC** Alex Perchuk	~~TBD~~**2445 Railroad Street**	Pittsburgh	PA	(917) 734-1486
~~Dahlia Trades, LLC**~~ ~~Trey Scott~~	~~Plush Mills @ 200 Easley Br Rd~~	~~Greenville~~	~~SC~~	~~404 550-4231~~
Dahlia Trades, LLC** Trey Scott	Planned for Garco ~~Mills~~**Mill**, North Charleston	Charleston	SC	(404) 550-4231
~~SLN Capital~~**SL Memphis 1**, LLC** ~~Dan McEwan~~**Jatin (Jay) Kumar**	~~planned for 159 4th Avenue North~~**TBD**	~~Nashville~~**Memphis**	TN	(901~~-747~~) **830-**~~5152~~**4720**
Cameron Coworking, L P ** Dougal Cameron	planned for 808 Travis Street	Houston	TX	(713) 333-1001
Cameron Coworking, L P ** Dougal Cameron	planned for 506 Imperial Drive	Sugar Land	TX	(713) 333-1001
S Labs Lehi, LLC~~**~~ Scott Somerville	TBD	Lehi	UT	(614) 307-0169
SL Madison, LLC Ryan Jacobson**	**525 Junction Road, Suite 6500**	**Madison**	**WI**	**(920) 841-1082**
SL Wauwatosa, LLC	**11220 West Burleigh Street**	**Wauwatosa**	**WI**	**(312) 683-7256**

Affiliate-Owned ~~Lab~~Outlets* as of December 31, ~~2017~~2018

COLORADO

1801 Wewatta Street, Suite 1100
Denver, Colorado 80202
(914) 908-6775

ILLINOIS

One South Wacker Drive
Chicago, Illinois 60606
(914) 908-6775

MARYLAND

4500 East West Highway
Suite 125
Bethesda, Maryland 20814
(914) 908-6775

NEW YORK

80 Theodore Fremd Avenue
Rye, New York 10580
~~(855) 801-7757~~ **914) 908-6775**

TEXAS

2323 Ross Avenue, Suite 200
Dallas, Texas 75201
(914) 908-6775

3201 Dallas Parkway, Suite 190 & 200
Frisco, Texas 75034
(914) 908-6775

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

*** For purposes of Item 20 and this Exhibit J, a franchised outlet is owned by a franchisee entity in which we, our affiliates and/or our officers, combined, had no ownership interest or up to a 50% ownership interest, and a company-owned outlet is owned by an entity in which we, our affiliates and/or our officers, combined, had greater than a 50% ownership interest. All company-owned outlets disclosed in this Item 20, except the Rye, NY company-owned outlet, were owned by franchisee entities in which our affiliates had greater than 50% ownership interests. We or our affiliates managed some of the franchised outlets.**

**** This franchisee is a developer or an affiliate of a developer under a development agreement** If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

~~* For purposes of this Exhibit J a franchised Lab is owned by a franchisee entity in which we, our affiliate(s) and/or our officer(s), combined, may have no ownership interest or up to a 50% ownership interest, and an affiliate-owned Lab is owned by an entity in which we, our affiliate(s) and/or our officers(s), combined, have greater than a 50% ownership interest Affiliate-owned Labs also are called "company-owned outlets" in this disclosure document We or our affiliates manage some franchised Labs~~

~~**This franchisee is a developer or an affiliate of a developer under a development agreement~~

EXHIBIT K

FORMER FRANCHISEES

Franchises Reacquired by Franchisor

ILLINOIS

HVSL1 Wacker, LLC
One South Wacker Drive
Chicago, Illinois 60606
Mike Johnston
(914) 908-6775

MARYLAND

SLW-Bethesda LLC
4500 East West Highway
Suite 125
Bethesda, Maryland 20814
Mike Johnston
(914) 908-6775

TEXAS

SLW-Dallas 1, LLC
2323 Ross Avenue, Suite 200
Dallas, Texas 75201
Mike Johnston
(914) 908-6775

~~None~~

EXHIBIT L

TABLES OF CONTENTS OF MANUALS

Confidential Pre-Opening Manual

Table of Contents

Section	No of Pages in Section
I Introduction Industry Overview On Demand Workspace and Work Mobility	8
II Area Community Selection Criteria Demographics Employment Sectors Submarket Conditions Direct and Indirect Competition Competitive Proforma Income Statement	15
III Site-Building Selection Criteria Building Criteria Space Requirements Design Efficiency Ratios Access and Signaling Parking Requirements Comparable Pricing	4
IV Lease Terms and Conditions Gross, Triple Net and Full Service Leases Using a Broker Lease Negotiation Process Right of Assignment on Sale Building Signage Relocation Right After Hours Access and Use Non-Competition Directory Signage Co-Brokerage Parking Term and Options (location equity) Lease Alternatives Profit Participating Lease, Retail/Gross Revenue	37
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Operations Manual

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EXHIBIT M

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the name, address and telephone number of the state agency having responsibility for franchising disclosure/registration laws, and serving as our agent for service of process in this state

State	State Agency	Agent for Service of Process
CALIFORNIA	California Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Business Oversight

EXHIBIT N

CALIFORNIA NOTICES OF NEGOTIATED SALES OF FRANCHISES

None

There have been no negotiated sales of franchises during the 12-month period ending in the month before any month in which any offer or sale of a franchise is made under this disclosure document

EXHIBIT O

RECEIPTS

RECEIPT
(YOUR COPY)

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

If Serendipity Labs Franchise International, LLC ("we", "you", "us") offers you a franchise, we 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 1st personal meeting Michigan requires that we give you this disclosure document 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 1st personal meeting, or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the appropriate state agency identified on Exhibit M

The name, principal business address and telephone number of each franchise seller offering the franchise John Arenas, 700 Canal Street, Stamford, Connecticut 06902, (855) 801-7757 and (516) 269-2794~~, Brad LeBlanc, 7804 Early Morning Street, Fulton, Maryland 20759, (813) 335-2800~~, Kristen Pike Baldon, 700 Church Street, Unit 806, Nashville, Tennessee 37203, (404) 312-8860, and _____

Date of Issuance ~~March 20, 2018~~**April 26, 2019**

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

I have received a disclosure document dated ~~March 20, 2018~~**April 26, 2019** that includes the following Exhibits

A	Letter of Intent
B	Franchise Agreement, State Rider and Attachments
C	Development Agreement, State Rider and Attachments
D	Franchise Compliance Questionnaire
E	Confidentiality and Non-Competition Agreement
F	Sample General Release
G	OASIS Platform Services Agreement
H	Management Agreement
I	Financial Statements
J	Franchised and Affiliate-Owned Labs
K	Former Franchisees
L	Tables of Contents of Manuals
M	Agencies/Agents for Service of Process
N	California Notices of Negotiated Sales of Franchises
O	Receipts

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

KEEP THIS COPY FOR YOUR RECORDS This disclosure document is also available in paper or PDF format by request to ~~Brad LeBlanc at bleblanc@serendipitylabs com~~ **Kristen Pike Baldon, 700 Church Street, Unit 806, Nashville, Tennessee 37203, kpike@serendipitylabs.com, (404) 312-8860.**

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

PLEASE SIGN THIS COPY OF THE RECEIPT, DATE YOUR SIGNATURE, AND RETURN IT TO US ADDRESSED AS FOLLOWS ~~Ed de Jong~~**Roger Stone**, 700 Canal Street, Stamford, Connecticut 06902 This disclosure document is also available in paper or PDF format by request to ~~Brad LeBlanc at bleblanc@serendipitylabs.com~~ **Kristen Pike Baldon, 700 Church Street, Unit 806, Nashville, Tennessee 37203, kpike@serendipitylabs.com, (404) 312-8860.**