FRANCHISE DISCLOSURE DOCUMENT

UNIQUE MARKETS FRANCHISES, LLC
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UNIQUE MARKETS

The franchisee will conduct a business that plans and hosts pop-up shopping and other community shopping events at public venues that offer, among other things, merchandise from various local artists, designers, and entrepreneurs.

The total investment necessary to begin operation of a Unique Markets® franchise ranges from $84,060 to $135,570. This includes $36,000 - $40,000 that must be paid to the 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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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

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

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

Issuance Date: April ~~4, 2019~~17, 2020

~~STATE COVER PAGE~~

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires ~~a franchisor~~franchisors to register ~~or file with a state franchise administrator~~ before offering or selling franchises in ~~your~~the 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~~document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A ~~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~~

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risk~~ FACTORS before you buy this franchise:~~(s) be highlighted:

~~1. THE FRANCHISE AGREEMENT REQUIRES YOU TO MEDIATE AND LITIGATE WITH US ONLY IN CALIFORNIA. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT ALSO MAY COST MORE TO RESOLVE DISPUTES WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.~~

~~2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.~~

~~3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE BUSINESS. THIS GUARANTEE WILL PLACE BOTH YOU AND YOUR SPOUSE'S PERSONAL AND MARITAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.~~

~~4. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.~~

~~5. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINIATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.~~

~~6. THE PRIMARY TRADEMARK THAT YOU WILL USE IN YOUR BUSINESS IS NOT FEDERALLY REGISTERED. IF THE FRANCHISOR'S RIGHT TO USE THIS TRADEMARK IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR BUSINESS AND ITS PRODUCTS OR SERVICES WITH A NAME THAT DIFFERS FROM THAT USED BY OTHER FRANCHISEES OR THE FRANCHISOR. THIS CHANGE CAN BE EXPENSIVE AND MAY REDUCE BRAND RECOGNITION OF THE PRODUCTS OR SERVICES YOU OFFER.~~

~~7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.~~

~~We currently do not use the services of any FRANCHISE BROKERS or referral sources to assist us in selling our franchise. If we do in the future, a franchise broker or referral source represents us, not you. We would pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.~~

~~STATE EFFECTIVE DATES~~

~~The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.~~

~~This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:~~

~~STATE~~	~~EFFECTIVE DATE~~
~~California~~	~~Pending~~
~~Hawaii~~	~~Pending~~
~~Michigan~~	~~October 5, 2018~~
~~Minnesota~~	~~Pending~~

~~In all other states that do not require registration, the effective date of this Disclosure Document is the issuance date of April 4, 2019.~~

~~ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW~~

~~The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:~~

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

~~(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.~~

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

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

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

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

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

- ~~(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.~~
- ~~(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.~~
- ~~(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.~~
- ~~(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.~~

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

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

~~If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.~~

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

~~Any questions regarding this notice should be directed to: Michigan Attorney General's Office, Consumer Protection Division, Attention: Franchise Section, G. Mennen Williams Building, 1st Floor, 525 West Ottawa Street, Lansing, Michigan 4893, Telephone Number: 517-373-7117.~~

1. **Out-of-state dispute resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in California. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in California than in your own state.

2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.

3. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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

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

UNIQUE MARKETS FRANCHISES, LLC
Franchise Disclosure Document

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LIST OF EXHIBITS

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

To simplify the language in this disclosure document, the terms "Franchisor", or "we" or "us" means Unique Markets Franchises, LLC, the Franchisor. The terms "we", "us" and "Franchisor" do not include you, the "Franchisee". We refer to the purchaser(s) of a Unique Markets® franchise, as "you" or "Franchisee", whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of California on May 8, 2018. Our principal business address is 1275 E. 6th Street, Suite 206, Los Angeles, California, 90021, and our telephone number is (800) 343-5993. We do business under our company name, "Unique Markets®" and its associated design (the "Marks"). Our affiliate, Unique, Inc., has registered our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the "Unique Markets®" Marks. We began offering franchises on August 15, 2018.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor company.

We have an affiliated company, Unique Inc., a California corporation with a principal place of business at 1275 E. 6th Street, Suite 206, Los Angeles, California, 90021. Unique Inc. was formed on April 14, 2010 and is the owner of our Marks and has exclusively licensed use of the Marks to us. Unique, Inc. has not offered franchises in this or any other line of business previously.

We have operated, through our affiliate, a Unique Markets pop-up and local community shopping events business similar to the franchise offered by this Disclosure Document since 2010. We may operate other Unique Market concepts, including additional Unique Markets pop-up and local community shopping events businesses, in the future.

The Franchise Offered:

We offer franchises for the right to conduct a business that plans and hosts pop-up and "buy local" community shopping events under the "Unique Markets®" Marks which feature merchandise from local artists, designers, and small business entrepreneurs (the "Franchised Business"). Your Franchised Business will conduct 3-5 large seasonal, multi-day events, that host 100 to 200 vendors and/or smaller monthly, single day events, that host 40 to 80 vendors, in a designated territory throughout the year. The distinguishing characteristics of a Unique Markets Franchised Business include, but are not limited to, the Unique Markets's operations methods, sales techniques, and procedures for management, training, advertising, and promotional programs, all of which may be changed, improved or further developed by us at any time (the "System").

Market and Competition:

The market for your Unique Markets® Franchised Business consists of the general public seeking to buy locally made items in a casual community shopping setting. Venues for your Franchised

Business events include large public halls, event venues, and outdoor event spaces like fair grounds, sports fields and parking lots.

The market for planning and hosting shopping events in a local pop-up shop setting is developing. You will compete with businesses, including national, regional and local event planners and promoters, who offer services similar to those offered by your Unique Markets® Franchised Business. You will also compete with local retail outlets and community markets that carry locally crafted merchandise. The market for our services and products is not seasonal but does have peak periods and may be affected by economic conditions.

Industry Specific Regulations:

You must comply with all local, state and federal laws and regulations that apply to the operation of your Unique Markets® Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer: Sonja Rasula

Sonja Rasula is our founder and Chief Executive Officer, a position she has held since our company's inception. Sonja is also the founder and owner of our affiliate, Unique Inc. Sonja established the Unique Markets concept in April 2010, and since then has worked exclusively developing and growing the brand. Sonja also has owned The Unique Space, a rental facility for private offices, collaborations, and special events, in Los Angeles, California, since October 2013.

Franchising & Sales Associate: Daniel Bakare

Daniel Bakare is the Franchising and Sales Associate for Unique Markets Franchises, LLC, a position he has held since June 2018. Daniel is also a Business Development Analyst for Unique, Inc., a position he has held since March 2019. From May 2018 to September 2018, Daniel was a marketing analyst for Enzoani Bridal in Tustin, California. From May 2014 to August 2017, Daniel was a legal assistant at the Law Office of Biola Bakare, LLC in Laurel, Maryland while earning his college degree at Purdue University where he was a full-time student from August 2014 through May 2018.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is Thirty-Five Thousand Dollars ($35,000.00). This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. We currently offer an incentive whereby we will discount the Initial Franchise Fee by twenty percent (20%) for a second and each subsequent Franchise Agreement you sign with us. Honorably discharged U.S. veterans will also receive a twenty percent (20%) discount off of the Initial Franchise Fee for the first Franchise Agreement signed with us.

You must purchase your initial inventory of certain branded signage, printed material and promotional items, including vinyl posters, banners, and tote bags, from us. The cost is $1,000 - $5,000 and must be paid before you open for business and is not refundable.

During the fiscal year ended December 31, 2019, we discounted the franchise fee for our first franchisee by $5,000.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	10% of Gross Revenue.	Monthly on the fifth (5th) day of the calendar month for gross revenues of the prior month.	Payable to us. See footnote 1.
Required Minimum Expenditure for Local Marketing and Advertising	$2,000 - $5,000 per event, depending on the size and nature.	As incurred.	Payable to third-party suppliers or to us. See footnote 2.
Brand Development Fund Contribution	6% of Gross Revenue.	Monthly on the fifth (5th) day of the calendar month for gross revenues of the prior month.	Payable directly to the Brand Development Fund. See footnote 3.

Type of Fee	Amount	Due Date	Remarks
Advertising Cooperative	Up to one-half of your required minimum local advertising expenditure.	As determined by cooperative.	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised Unique Markets outlets in a designated geographic area, or we may establish a national cooperative comprised of all franchised Unique Markets outlets. Our affiliate-owned outlets may participate in an advertising cooperative, in our sole discretion.
Technology Fee	$10 per month, subject to increase.	As incurred.	Current system includes access to G Suite and external and internal website management. Payable to us. See footnote 4.
Software/ Application Fees	$167 per month, subject to increase.	As incurred.	Payable to third-party suppliers or to us. See footnote 5.
Event Production Fees	$1,175 - $18,000 per event, subject to increase.	As incurred.	You must use our suppliers for event production, including ticketing and vendor application processing. Fees will depend on size and pricing of each event.
Late Charge	$75	As incurred	If you fail to pay us the Royalty Fee, Brand Development Fund Contribution, Technology Fee or if you fail to submit your Gross Revenue report when due, we may charge you $75 for each late submission in addition to interest charges explained below.
Interest Charge	1.5% per month from due date, or maximum allowed by law	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-Sufficient Funds Fee	$250	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you an Insufficient Funds Fee.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	$3,000	Before signing renewal agreement	Payable to us. See Item 17.
Transfer Fee	For transfer: (i) to an existing franchisee in good standing, the transfer fee is 50% of the then-current initial franchise fee, (ii) to, or among owner(s) of, the franchisee entity that does not change management control, the transfer fee is $1,500 and (iii) a spouse, parent or child upon death or permanent disability, the transfer fee is $3,500.	Before we approve the transfer	Payable to us. See Item 17
Interim Management Fee	25% of Gross Revenue earned during the term of interim management, plus all travel related and other expenses.	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and Brand Development Fund Contributions), payable to us, if we provide interim management of your Franchised Business due to your default, death or disability.
Initial Training	No charge for initial training of up to two (2) people. You pay all travel and other related expenses incurred by all trainees. The current fee to train an additional franchise owner is $500.00 per person.	Travel and related expenses are due as incurred. Fee for additional trainee is payable prior to commencement of training.	Initial training takes place in Los Angeles, California. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs for all trainees. Incidental costs are payable to third-party suppliers. Fees for additional trainees are payable to us. Provided that we do not have a scheduling conflict, we will provide you with a trainer for up

Type of Fee	Amount	Due Date	Remarks
			to three (3) days in-Territory for your Franchised Business event. See Item 11.
Additional Training	Up to $1,000 per registration fee for each System training program. You also pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 6.
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is $500 per day, plus travel and other expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training in your territory from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Examination of Books and Records	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Revenue report by two percent (2%) or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Evaluation Fee	Greater of (i) $250 or (ii) the actual cost of inspection and testing of a proposed item or vendor.	As incurred.	Payable to us. See footnote 7.

Type of Fee	Amount	Due Date	Remarks
Quality Review Services	Varies	As incurred	Payable to third-party providers. See footnote 8.
Indemnification	Amount of loss or damages plus costs	As incurred.	See footnote 9.
Reimbursement of Cost and Expenses for Non-compliance	Actual costs and expenses	As incurred.	See footnote 10.
Reimbursement of legal fees and expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As Incurred	Payable to us.
Confidential Operating Manual Replacement Fee	$100, or our then-current fee	As incurred	Paid to us
Insurance Reimbursement	Amount paid by us for your insurance obligations	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

[1] "Gross Revenue" includes all revenues and income from any source derived or received by you from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted by the Franchise Agreement, including but not limited, any and all other revenues received using our trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. At our request, you are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

[2] You must also spend at least $5,000.00 on local advertising upon, and for ninety (90) days following, the scheduling of your first Franchised Business event. At least $1,500 of each local advertising campaign must be directed toward vendor procurement. We reserve the right to require you to direct some or all of your local advertising expenditures to us or a third-party to conduct advertising on your behalf. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

[3] Payments are due at the same time and in the same manner as the Royalty Fee.

[4] We reserve the right to impose fees for new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, assigned phone numbers and email addresses, a franchise portal, benchmarking platform or other operations or communications systems.

[5] You are required to pay regular fees for access, support and updates to our approved software. These fees are subject to change by the software providers. We have the right to substitute or add different approved software or applications, which you must use.

[6] We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training for up to five (5) days per year, at a location we designate. We may also require you to attend a national business meeting or annual convention for up to three (3) days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

[7] If you wish to purchase, lease or use any, equipment, supplies, services or other items from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service. Only in the event that we approve the item or approve the supplier for use by the entire franchise system, we will refund the evaluation fee paid.

[8] We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, mystery shop programs and periodic quality audits, to monitor the operations

of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

[9] You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

[10] If you fail to do so, in our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Franchised Business or take steps to modify, alter or de-identify the Franchised Business upon the termination or expiration of the Franchise Agreement. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Franchised Business.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$35,000	Lump sum payment in cash or available funds.	Upon signing the Franchise Agreement.	Us
Your Training Expenses[2]	$3,000 - $5,000	As required for transportation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of transportation, lodging & meals.
Rent deposit - Storage[3]	$40 - $200	As required by lessor	As required by lessor	Lessor
Rent deposit – Event Venue[4]	$9,000 - $15,000	As required by lessor	As required by lessor	Lessor
Furniture, Fixtures and Equipment[5]	$18,545-$49,870	As required by supplier	Before opening	Suppliers
Business Licenses and Permits[6]	$50 -$250	As required by government agencies	Before opening, as required by government agencies	Government Agencies

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Computer Systems[7]	$400 - $4,750	As required by suppliers	Before opening	Suppliers
Initial Inventory of Marketing Material[8]	$400 -$750	As required by suppliers	Before opening	Us or third-party supplier
Office Furniture and Supplies[9]	$275 - $1,250	As required by suppliers	Before opening	Suppliers
Professional Fees[10]	$750 -$1,500	As required by providers	As incurred	Attorney, Accountant, Other Professional Service Providers
Grand Opening Advertising [11]	$5,000	As required by supplier	As required by supplier	Suppliers
Insurance[12]	$1,600-2,000	As required by insurer	Before opening	Insurer
Operating Expenses / Additional Funds – 3 months[13]	$10,000 - $15,000	As incurred	Payroll, venue deposits, other purchases according to agreed-upon terms	Employees, suppliers, etc.
TOTAL	$84,060 - $135,570			

[1] Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee.

[2] The cost of the Initial Management Training Program for up to two (2) people is included in the Initial Franchise Fee. The chart estimates the costs for transportation, lodging, and meals for your trainees, which are not included in the Initial Franchise Fee. Training takes place in Los Angeles, California. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses. The duration of the training program is six (6) days, plus attendance at a Unique Markets event conducted by Franchisor's affiliate or another franchisee.

[3] Your Franchised Business does not require a rented office. You may operate solely from a home office provided that you have approximately 40 to 100 square feet of secure storage for your event equipment. The low estimate assumes that you have such secure storage available. The high estimate represents an estimate of a deposit to secure public storage space.

[4] Your initial event venue will generally require a 50% deposit to reserve the date, with the balance due at least one month prior to the event. Event venue costs will vary based on the location of your Territory and the size of the event space. We have based the rent deposit estimates on our affiliate's experience in Los Angeles California.

[5] The furniture, fixtures and equipment required for your Franchised Business include ticketing equipment, entrance display boxes, various signage and banners, modular walls and furniture. A complete list of requirement equipment is contained in our Operations Manual.

[6] You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Franchised Business.

[7] We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. This estimate includes the cost of a computer and/or smart phone, printer, router, backup drive, cloud storage and our required software. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of operations and sales information. We reserve the right to change your requirements for computer hardware and software at any time.

[8] You must purchase a supply of branded launch marketing materials, which includes postcards, business cards and marketing swag. This estimate is for the cost of the initial launch marketing inventory sufficient for approximately 2-4 months of operation.

[9] Your will need basic furniture and supplies for your office, such as desk, chair, filing cabinet, paper shredder and shelving.

[10] You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Unique Markets® franchise.

[11] For ninety (90) days following the scheduling your first Franchised Business event, we require you to spend at least $5,000.00 on local advertising and promotional activities in your Territory. At least $1,500 of this expenditure must target vendors to exhibit at your event. You may elect to expend additional amounts to conduct a larger, more elaborate initial launch campaign. The estimate in the above Table includes the cost of promotional materials.

[12] Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. This includes commercial general liability insurance, including products liability, and products/completed operations coverage, in the amounts of at least One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate and medical expense (any one person) of at least Five Thousand Dollars ($5,000), with umbrella coverage for bodily injury of at least One Million Dollars ($1,000,000); insurance for property damage with primary and excess limits of not less than Fifty Thousand Dollars ($50,000) or the full replacement value of your furniture, equipment and other personal property, whichever is higher; coverage for all owned, leased, non-owned and hired vehicles used in the Franchised Business in an amount of not less than One Million Dollars ($1,000,000) per occurrence; and

coverage for damage to premises and contents in amount of not less than One Hundred Thousand Dollars ($100,000). If and when you hire employee(s) as defined by state law, you will need to purchase worker's compensation coverage in the limits required by the state in which the Franchised Business is operated, employer practices insurance in the amount of Five Hundred Thousand Dollars ($500,000.00) per incident, and employee dishonesty coverage of at least One Hundred Thousand Dollars ($100,000.00). You will also be required to purchase separate insurance policies for each market event as per the Operations Manual, including liquor liability as applicable. Each policy must be written by a responsible carrier or carriers acceptable to us and must name us and our respective officers, directors, partners, agents and employees as additional insured parties, as their interests may appear. Insurance costs and requirements may vary widely in different localities. The estimate is for the annual premium for required minimum insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

[13] This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as initial payroll and payroll taxes, Royalties (as described in this disclosure document), Brand Development Fund Contributions, venue deposits, equipment repairs and maintenance, bank charges, and other miscellaneous items. These estimates do not include any compensation to you nor do they include debt service. These items are by no means all-inclusive of the extent of possible expenses.

We relied upon the experience of our affiliate-owned Unique Markets business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer. Notwithstanding, we cannot estimate or guarantee when, or whether, any individual franchisee will achieve positive cash flow or profits.

We do not offer direct or indirect financing to franchisees for any items included in this section.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: <u>RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES</u>

We have identified various suppliers, distributors and manufacturers of equipment, supplies, and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all inventory, equipment, computer systems and certain software from our designated suppliers and contractors or in accordance with our specifications.

You must purchase certain branded signage, printed materials, and promotional items from us. We are the only approved supplier for these products. At our request, you must purchase advertising services from us or a third-party we designate. Other than us or our affiliates disclosed in Item 1, there are no other approved suppliers in which any of our officers owns an interest.

Except for purchases of certain branded signage, printed materials, promotional items and advertising services, we and our affiliates do not currently receive any revenue, rebates, discounts or other material consideration from any other suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion. We and our affiliates have not received any revenue from franchisees required purchases or leases as of the date of this Disclosure Document.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional supplier. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed supplier within 90 days after we receive all required information to evaluate the product or service. If we do not approve any request within 90 days, it is deemed unapproved. We reserve the right to revoke approval of any supplier that does not continue to meet our then-current standards. Our criteria for approving suppliers are not available to you. If you request that we approve a proposed supplier, we will charge you an evaluation fee equal to the greater of (i) $250 or (ii) the actual costs of inspection and testing. Only in the event that we approve the item or supplier for use by the entire franchise system, we will refund the evaluation fee.

We maintain written lists of approved items of equipment, inventory and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We update these lists periodically and issue the updated lists to all franchisees.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 25-30% of your costs to establish your Franchised Business and approximately 65-70% of your costs for ongoing operation.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

ITEM 9: FRANCHISEE’S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.4	11
d. Initial and Ongoing Training	Article 7, 12.8	11
e. Opening	8.2	11
f. Fees	5.2.6, Article 6, 7.4, 7.5, 12.3.7, 12.6.1, 12.7, 13.2, 13.3.1, 13.4, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, Article 12, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.4, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.1.1, 12.1.2, 12.1.5, 12.6	8
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	12.1.1, 12.1.3, 12.1.5, 12.3.5	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.6, 12.1.8	Item 11
n. Insurance	Article 15	7
o. Advertising	12.1.9, Article 13	6, 11
p. Indemnification	8.1 12.4, 15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.6	11, 15
r. Records/Reports	6.1.3, 12.2	6

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
s. Inspections and Audits	12.1.7, 12.2.5, 12.7	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17

ITEM 10: FINANCING

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

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

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

1. **Pre-Opening Obligations**

Before you open your Franchised Business, we will:

a. designate the boundaries of your territory and approve your office location, if you do not operate from a home-based office (Franchise Agreement, Section 10.1).

b. loan to you the Unique Markets Operations Manual and other manuals and training aids we designate for use in the operation of your Unique Markets Franchise, as they may be revised from time to time (Franchise Agreement, Section 10.2).

c. provide a written list of equipment, fixtures, furnishings, signage, supplies and products that will be required to open the Franchised Business. (Franchise Agreement, Section 10.3).

d. provide you with initial training at our headquarters in Los Angeles, California. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Sections 7.1 and 7.2).

e. provided that no scheduling conflict exists, provide a trainer in-territory for on-site training, supervision and assistance up to three (3) days at your first Franchised Business Event. (Franchise Agreement, Section 7.3).

f. subject to applicable law, set minimum and maximum prices for products and services of your Franchised Business (Franchise Agreement, Section 12.5).

g. provide you with standards for qualifications and training of your employees. We do not otherwise assist you with employee hiring and training (Franchise Agreement, Section 12.1.6).

2. **Time to Open**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Unique Markets Franchised Business is 180 days. Factors that may affect this time period include your ability to acquire license and permits, completion of required training, and planning your initial event. If you do not open your Franchised Business by scheduling your first event within 180 days after you complete training and within 240 days after signing the Franchise Agreement, you will be in default of your Franchise Agreement. (Franchise Agreement, Sections 8.2).

3. **Obligations After Opening**

During the operation of your franchise, we will:

a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training offered by us for up to five (5) days each year at a location we designate and attend an annual business meeting or franchisee conference for up to three (3) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).

b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.5).

c. upon your request, provide individualized assistance to you within reasonable limits by telephone, fax, electronic mail or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.6).

d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.5).

e. maintain the Unique Markets website with a link to your Franchised Business events calendar. (Franchise Agreement, Section 10.5).

f. provide you with any written specifications for required equipment, fixtures, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Sections 10.3 and 10.7).

h. subject to applicable law, set minimum and maximum prices for products and services of your Franchised Business (Franchise Agreement, Section 12.5).

i. approve or disapprove of proposed venue locations for your Franchised Business events. We will respond within ten (10) business days, either accepting or rejecting the proposed venue (Franchise Agreement, Section 10.4).

j. inspect your Franchised Business, through attendance at your events or otherwise, in our reasonable discretion (Franchise Agreement, Section 10.11).

k. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed “disapproved”. (Franchise Agreement, Section 13.6).

4. **Advertising**

Local Advertising (Franchise Agreement, Sections 13.2 and 13.6)

We require you to spend at least $5,000.00 on local advertising upon, and for ninety (90) days following, the scheduling of your first Franchised Business event. Thereafter, you must spend a minimum of $2,000 - $5,000 on each other Franchised Business event, depending on the size and nature of the event. At least $1,500 of each local advertising campaign must be directed toward vendor procurement. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed “disapproved”.

You are responsible for local advertising placement. We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. However, we reserve the right to require you to direct some or all of your required Local Advertising expenditures to a local or regional digital advertising vendor(s) or to us to provide marketing services to you. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Unique Markets franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without our prior written approval.

System-wide Brand Fund (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Development Fund six percent (6%) of Gross Revenue generated by your Franchised Business. Each Unique Markets business operated by our affiliate or us may contribute to the Brand Development Fund, in our discretion, but has no obligation to do so.

The Brand Development Fund is administered by our accounting and marketing personnel. We may use Brand Development Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Development Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Development Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Development Fund.

The Brand Development Fund will not be used to defray any of our other general operating expenses. Brand Development Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include “Franchises Available” or similar language and contact information in advertising produced with Brand Development Fund contributions.

The Brand Development Fund collects and expends the Brand Development Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Development Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Development Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Development Fund.

The Brand Development Fund is not audited. An annual unaudited financial statement of the Brand Development Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Development Fund in any fiscal year, we may carry-forward any surplus or deficit to the next fiscal year.

No Brand Development Fund contributions were required, made or expended in our most recently concluded fiscal year~~.~~, which ended on December 31, 2019. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised Unique Markets businesses in a designated geographic area. Our affiliate-owned businesses may participate in a regional cooperative, in our sole discretion. Each Unique Markets business will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents.

If we establish a regional advertising fund or cooperative, you must contribute amounts we require. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Development Fund; however, contributions made by you to a regional advertising fund or cooperative will be credited against your required expenditures for local advertising.

Advertising Council (Franchise Agreement, Section 9.6)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and profitability. We reserve the right to change or dissolve the council at any time.

5. **Computer Systems** (Franchise Agreement, Section 12.3)

We require you to install and maintain computer systems and software, at your sole expense, meeting our minimum specifications for use at your Franchised Business. This includes computer hardware that operates our current required POS system, as specified in the Manual, and other required software. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of operations and sales information. We reserve the right to change your requirements for computer hardware and software at any time.

We do not presently require you to purchase any specific brand or model of computer or any other electronic cash register for the operation of Franchised Business, however, you are required to purchase and use the following software and applications: Eventbrite, Adobe Creative Cloud, Microsoft 365 and Quickbooks Online, and must have computer hardware, with internet access, that can support them. Eventbrite is event planning management software that provides a variety of functions, including ticketing, registration and sales tracking. We reserve the right to change software, applications and vendors as future systems become available.

We will have independent, remote and unlimited access to all information generated by and stored in your Everbrite account, including your Gross Revenue, through the Internet. There are no contractual limitations on our right to have full access to this information. We may retrieve, download, analyze and store such information and data at any time. We own all customer data stored in your Everbrite account. We may in the future establish or modify the sales reporting systems as we deem appropriate for the accurate and expeditious reporting of Gross Revenue, and you must fully cooperate in implementing any such system at your expense.

The cost of the required computer hardware and software will range from $400 - $4,750. Monthly software access fees are approximately $167, subject to increase. You will also incur event-specific software/application use fees that will range from $1,175 - $18,000, subject to increase, and will depend on the size of your event and collection methods.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs.

We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. You must upgrade your computer hardware and software as necessary to operate the most current version of Eventbrite, Adobe Creative Cloud, and other required applications or any replacements thereto. We cannot estimate the cost of maintaining, updating and upgrading your computer and software because it will depend on the make and model of your computer, required upgrades to operate our current event planning management and payment processing, accounting, marketing and other applications, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

6. **Table of Contents of Operations Manual**

The Table of Contents of our Unique Markets® Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit D. The Operations Manual has a total of 277 pages.

7. **Training** (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) must complete our six (6) - day Initial Management Training Program and post-course soft-launch event assessment in the Territory, to our satisfaction, at least two (2) weeks, but no more than six (6) weeks, before opening your Franchised Business. We will train you at our headquarters in the metropolitan Los Angeles, California, area. As a pre-requisite to attend the Initial Management Training Program, you must complete the mandatory pre-course training modules.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
General Business Operations	8	0	Los Angeles, California
Event Production	4	14	Los Angeles, California
Marketing + PR	4	0	Los Angeles, California
Customer Service + Vender Relations	3	5	Los Angeles, California
Financial Management	3	0	Los Angeles, California
Sponsor Relations + Management	0	2	Los Angeles, California
Technology Platforms	2	2	Los Angeles, California
TOTAL HOURS	24	23	

We periodically conduct our Initial Management Training Program throughout the year, as needed. Training will be provided by or under the direction of Sonja Rasula. Sonja is our founder and Chief Executive Officer and oversees all aspects of the Unique Markets brand operations, including vendor recruitment, venue identification, sales techniques, marketing, brand development, technology and process management.

Our training materials consist of the Operations Manual and mandatory pre-course training modules that include videos, webinars and/or other on-line tutorials. You will receive both classroom instruction and hands-on training at a Unique Markets event hosted by our affiliate or another franchisee. Hands-on training includes observation and active instruction.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

The cost of our instructors, training materials, classroom and event-site training for up to two (2) people is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging. We reserve the right to charge a reasonable fee to provide initial training to any additional trainee we approve. Our current fee to provide initial training to additional trainees is $500 per person.

Provided no scheduling conflict exists, we will provide a trained representative to assist you at your first Franchised Business Event. The trainer will provide on-site opening training, supervision, and assistance for up to three (3) days at no charge to you.

We may conduct mandatory or optional additional training programs, including remote learning and attendance at an annual conference or national business meeting. If we require it, you must attend mandatory training programs that we offer for up to five (5) days each year, and an annual conference or national business meeting for up to three (3) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program or to participate in remote learning. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

As part of your initial training, you may attend a Unique Markets event hosted by another franchisee. As a franchisee, you expressly permit us to attend with another franchisee, and conduct training at, any of your Franchised Business events free of charge. You will not be required to provide any direct instruction or supervision to another franchisee, and you will not receive any compensation for training that occurs at any of your Franchised Business events.

ITEM 12: <u>TERRITORY</u>

Under the Franchise Agreement, you have the right to establish and operate one (1) Unique Markets franchised business within a limited protected territory (the "Territory"). Your Territory is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Territory is determined on an individual basis taking into account area demographics, population density and household incomes. Your Territory will contain a minimum population of

250,000. Your Territory will be defined and attached to your Franchise Agreement as ~~Exhibit B~~Attachment 3.

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

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Unique Markets business or grant the right to anyone else to open a Unique Markets business within the Territory. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell our products and services under the Marks in the Territory through alternative distribution channels, as discussed below.

You are required to meet the following minimum revenue requirements:

	YEAR 1	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5+**
Minimum Annual Gross Revenue	80,000	$150,000	$230,000	$245,000	$270,000

If you do not meet these minimum requirements, we have the right to (i) reduce the size of your Territory, (ii) conduct, or permit others to conduct, Unique Market events in the Territory, or (iii) terminate your Franchise Agreement.

There is no other market penetration or other contingency that will affect your limited protected right to operate in your Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

You may only operate your Franchised Business in the Territory and may not relocate to new territory. You are permitted to operate from an office in your home. If you wish to relocate your office, you may only do so with our permission and at your sole expense. If we consent, you are required to remove any signs or other property from the original Franchised Business office which identified the original office as part of the System, and you must update all business listings.

We may, but have no obligation to, consider granting to you the right to establish additional Unique Market franchised businesses under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Unique Markets franchised business in an area we approve. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate Unique Markets businesses outside of the Territory and may operate other kinds of businesses within the Territory. We reserve all rights to solicit and secure regional and national sponsors at Unique Market events, including your events. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business.

We reserve the rights to offer (i) other products or services not offered under the Marks, (ii) other event planning, marketing and sales concepts under the Marks or other trademarks, and (iii) products or services through any channel in the Territory other than a live pop-up shopping event, such as distribution through retail outlets, co-branding and the Internet ("Alternative Distribution Channels"). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory.

You may not use Alternative Distribution Channels to make sales inside or outside your Territory; however, we will include a listing on our website with a link to your Unique Markets Franchised Business events calendar You may only solicit sales from customers in your Territory. Your local advertising must target vendors and customers in your Territory, although the reach of your local advertising may extend beyond your Territory. You may engage vendors and serve customers located outside of your Territory, provided that you did not solicit them in violation of your Franchise Agreement.

The Franchise Agreement does not grant you any right to participate in franchises, licensing programs or other business proposals for the sale and distribution of Unique Markets® products or services through Alternate Distribution Channels.

ITEM 13: TRADEMARKS

Unique Inc. ("Licensor") is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a Unique Markets business in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Unique Markets service marks, as described below ("Principal Marks"):

Mark	Registration Number	Registration Date	Register
Unique Markets	5688941; 5688942	March 5, 2019	Principal

~~Licensor has filed an application for registration of the following Principal Mark on the Principal Register of the United States Patent and Trademark Office:~~

~~Mark~~	~~Serial Number~~	~~Filing Date~~	~~Register~~
~~WE ARE ALL UNIQUE~~	~~87806262; 87806264~~	~~February 21, 2018~~	~~Principal~~

Licensor has filed all required affidavits.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Marks or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Marks, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Principal Marks or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Mark or other Marks in a manner material to the franchise.

Our license agreement with Licensor gives us broad rights to use the Marks in connection with the operation of the Unique Markets franchise System, and to sublicense to franchisees the right to use the Marks, in strict accordance with our Franchise Agreement. The term of our license agreement is for five (5) years, commencing May 8, 2018, and will automatically renew every five (5) years. The license agreement will terminate only upon (i) our bankruptcy or (ii) our election to terminate by providing 180 days' prior notice to the Licensor. A termination of the license agreement will have no effect on sublicenses granted to franchisees prior to the date of termination.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Marks.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We claim copyrights and proprietary rights on our advertisements, promotional materials and other audio, visual, digital and written materials and the contents of our Manual and website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

Our mutual obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, formulas, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the “Confidential Information”). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, ~~Exhibit G~~Attachment 9).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you personally supervise your Franchised Business. You may not appoint a general manager of the Franchised Business location, unless you receive our prior written consent. Your general manager must successfully complete our Initial Management Training Program and all other training courses we require. If the franchisee is a business entity, your general manager is not required to have an equity interest in the franchisee entity. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as ~~Exhibit G~~Attachment 9. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as ~~Exhibit E~~Attachment 7.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and market only approved products and services within your territory that are part of the System, and all services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved.

You may not use our Marks for any other business, and you may not conduct any other business at or through your Franchised Business operations. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with Unique Markets businesses owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. You may only host Franchised Business events within your Territory. Your local advertising must target vendors and customers in your Territory, although the reach of your local advertising may extend beyond your Territory. You may engage vendors and serve customers located outside of your Territory, provided that you did not solicit them in violation of your Franchise Agreement.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is five (5) years
b.	Renewal or extension of the Term	Art. 5	If you are in good standing as defined below, you can renew for up to three (3) additional term of five (5) years, unless we have determined, in our sole discretion, to withdraw from your Territory.
c.	Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least six months, and no more than nine (9) months, before the end of the term, execute a new franchise agreement, pay us a renewal fee of $3,000, repair, replace or re-decorate the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Not Applicable	~~Not Applicable~~ You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.

	Provision	Section in Franchise Agreement	Summary
g.	"Cause" defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits, open the Franchised Business and/or schedule your first event within required time frames; falsify any report to us; fail to conduct an event during any six (6)-month period; fail to comply with applicable laws; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; or terminate the Franchise Agreement without cause.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Unique Markets franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; sell to us, at our option, all furnishing, fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of ~~Exhibit C~~Attachment 5 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; and payment of a transfer fee equal to 75% of the then-current initial franchise fee or 50% of the then-current initial franchise fee for transfer to an existing franchisee in good standing, or $1,500 for transfer among entity owners that does not change management control, or $3,500 for a transfer to a spouse, parent or child upon death or permanent disability.

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, tool, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers of any Unique Markets business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business, ~~induce any person employed by us to leave their employment;~~ do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Unique Markets® outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any event planning or pop-up event, market, festival or fair business within 50 miles of your former Unique Markets territory or any other Unique Markets territory, ~~induce any person employed by us to leave their employment;~~ do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.

	Provision	Section in Franchise Agreement	Summary
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters.
v.	Choice of forum	Section 20.3	Litigation takes place in California, subject to applicable state law.
w.	Choice of law	Section 20.3	California law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item contains an historic financial performance representation for our one affiliate-owned Unique Markets business in operation from January 1, ~~2016~~2017 – December 31, ~~2018~~2019. During this time period, we had in operation one affiliate-owned Unique Markets business and no franchised-owned Unique Market businesses. Our affiliate has operated a Unique Markets business ~~in Los Angeles, California, since 2010. Prior to 2016, the financial activity of our affiliate-owned Unique Markets business was combined with the activities of our other affiliated businesses and a separate financial performance representation cannot be made.~~ since 2010. Our affiliate hosts pop-up shopping events in Los Angeles, California, as well as other cities across the United States.

January 1, ~~2016~~2017 – December 31, ~~2018~~2019 Performance[1,5]

	~~2016~~2017	**~~2017~~2018**	**~~2018~~ 2019**
Gross Revenue[2]	$~~505,207~~670,116	$~~670,116~~911,090	$~~911,090~~965,191
Cost of Goods ~~Sold[2]~~Sold[3]	$~~226,532~~315,163	$~~315,163~~406,775	$~~406,775~~391,463
Gross Profit	$~~357,991~~362,604	$~~362,604~~516,084	$~~516,084~~573,728
Imputed Royalty and Brand Fund Contributions[4]			
Royalty	$67,012	$91,109	$96,519
Brand Fund	$40,207	$54,665	$57,911
Adjusted Gross Profit	$255,385	$370,310	$419,298

~~Our affiliate-owned Unique Markets business is not subject to the same territorial restrictions or fees that a franchisee will experience. Item 6 of this disclosure document outlines the fees to which a franchisee will be subject. Specifically, a franchisee who achieved the same sales results that our affiliate achieved in 2016, 2017 and 2018 would incur the following fees which are not reflected in the above table:~~

~~Franchisee Fees[1,4]~~

	~~**Total 2016**~~	~~**Total 2017**~~	~~**Total 2018**~~
~~Royalty 10% of Gross Revenue~~	~~$50,521~~	~~$67,012~~	~~$91,109~~
~~Brand Fund 6% of Gross Revenue~~	~~$30,312~~	~~$40,207~~	~~$54,665~~

[1] The figures in the above tables have not been audited.

[2] Gross Revenue means all revenue from ticket sales and vendor fees derived at all pop-up shopping events, without deduction for taxes.

[3] Cost of Goods Sold includes venue and equipment rental costs, event labor, event supplies, and event insurance.

~~[4] This Table does not include other expenses that you will incur such as advertising, storage and computer applications and technology fees.~~
[4] Our affiliate-owned Unique Markets business is not subject to the same fees that a franchisee will experience. Item 6 of this disclosure document outlines the fees to which a franchisee will be subject. Specifically, a franchisee who achieved the same sales results that our affiliate achieved in 2017 and 2018 would incur a 10% Royalty Fee and 6% Brand Fund Contribution.

[5] This table reflects our affiliate's financial performance for pop-up shopping events conducted in 2017, 2018, and 2019. In 2017, our affiliate hosted 4 large events with an average of 3,275 attendees and 181 vendors per event. In 2018, our affiliate hosted 3 large events with an average of 3,767 attendees and 190 vendors and 8 small events with an average of 1,294 attendees and 46 vendors. In 2019, our affiliate hosted 4 large events with an average of 3,250 attendees and 144 vendors and 7 small events with an average of 536 attendees and 39 vendors. Although our affiliate is not subject to any territorial restrictions, we expect that you will host 3-5 large seasonal, multi-day events, that host 100 to 200 vendors and/or smaller monthly, single day events, that host 40 to 80 vendors, in your Territory.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

Our affiliate-owned outlet has earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

~~The actual performance of your Franchised Business depends on a variety of factors, including the demographics of your Territory, population shifts, your own management and marketing skills, experience and business acumen, local economic conditions, the local market for our products and services, competition, and other factors.~~

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Sonja Rasula, 1275 E. 6th Street, Suite 206, Los Angeles, California, 90021, (800) 343-5993, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years ~~2016~~2017 to ~~2018~~2019

Column 1 Outlet Type	Column 2 Year	Column 3	Column 4 Outlets at the End of the Year	Column 5 Net Change

		Outlets at the Start of the Year		
Franchised	~~2016~~2017	0	0	0
	~~2017~~2018	0	0	0
	~~2018~~2019	0	0	0
Company – Owned*	~~2016~~2017	1	1	0
	~~2017~~2018	1	1	0
	~~2018~~2019	1	1	0
Total Outlets	~~2016~~2017	1	1	0
	~~2017~~2018	1	1	0
	~~2018~~2019	1	1	0

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years ~~2016~~2017 to ~~2018~~2019

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	~~2016~~2017	0
	~~2017~~2018	0
	~~2018~~2019	0
Total	~~2016~~2017	0
	~~2017~~2018	0
	~~2018~~2019	0

Table No. 3

Status of Franchised Outlets
For Years ~~2016~~2017 to ~~2018~~2019

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
None	~~2016~~2017	0	0	0	0	0	0	0
	~~2017~~2018	0	0	0	0	0	0	0
	~~2018~~2019	0	0	0	0	0	0	0
Total	~~2016~~2017	0	0	0	0	0	0	0

		~~2017~~2018	0	0	0	0	0	0	0
		~~2018~~2019	0	0	0	0	0	0	0

Table No. 4

Status of Company Owned* Outlets
For Years ~~2016~~2017 to ~~2018~~2019

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	1
	~~2018~~2019	1	0	0	0	0	1
Total	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	1
	~~2018~~2019	1	0	0	0	0	1

Table No. 5

Projected Openings as of December 31, ~~2018~~2019

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
California	0	1	0
Minnesota	0	1	0
Oregon	1	0	0
Texas	0	1	0
Total	~~0~~1	3	0

* Our company-owned outlet is operated by our affiliate.

Exhibit E lists the location of each Unique Markets business in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

Unique Markets Franchises, LLC, was formed on May 8, 2018. Because we have not been in business for three (3) years, we are not able to include the three (3) prior years of audited financial statements normally required by this Item 21. Our audited financial statements, which comprise our ~~balance sheet as of~~financial statements for the period ending December 31, ~~2018~~2019 and the related statements of income and cash flow for the period of inception (May 8, 2018) through December 31, 2018, are included in Exhibit C.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit B. These include our Franchise Agreement and all ~~exhibits~~attachments to it (Marks, Territory Description, General Release, Statement of Ownership Interests in Franchisee, Spousal Guaranty, and Confidentiality and Non-Compete Agreement).

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document as Exhibit G. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Sonja Rasula, Unique Markets Franchises, LLC, 1275 E. 6th Street, Suite 206, Los Angeles, CA 90021.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
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
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

FRANCHISE AGREEMENT

~~UNIQUE MARKET FRANCHISES, LLC~~
~~FRANCHISE AGREEMENT~~

~~THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of ________________, (the "Effective Date") by and between Unique Market Franchises, LLC, a California limited liability company with its principal place of business at 1275 East 6th Street, Suite 206, Los Angeles, California, 90021 (herein "Franchisor") and ___________________ ______, a(n) __________________________, with its principal place of business located at_____ _______________________________________ and ___________________________________'s principal(s) _______________, an individual residing at ______________________________ and __ ____________, an individual residing at _____________________________ ("Principal(s)"). ____ ___________________ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".~~

~~RECITATIONS~~

~~Through the expenditure of considerable time, effort and money, Franchisor has developed a business that plans and hosts pop-up shopping events and other events, using Franchisor's format, trade dress, marketing, operations and management methods, training and assistance, Franchisor's confidential operations manual ("Manual") of business practices and policies, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein as the "System").~~

~~The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the Unique Markets® service mark, as set forth in Exhibit "A", and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").~~

~~Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.~~

~~Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.~~

~~NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:~~

1. ~~**RECITATIONS**. The Recitations set out above form part of this Agreement.~~

2. ~~**GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Unique Markets® franchise (the "Franchised Business"), using only the Marks licensed hereunder, in~~

~~strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only within a territory that is designated in Exhibit "B" attached hereto and incorporated herein (the "Territory").~~

3. ~~**TERRITORY**~~

~~3.1 Territory. This Agreement grants Franchisee the right to operate the Franchised Business within the Territory. Franchisor agrees that Franchisor will not, and Franchisor will not permit any other of our franchisees, to operate a substantially similar business in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee (i) meets the minimum performance standards ("Minimum Performance Standards") set forth in Exhibit B-1 and (ii) is not in default under this Agreement or this Agreement is not otherwise expired or terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise Unique Markets® franchises around, bordering and adjacent to the Territory. Franchisee may only sell its products and services at events scheduled in accordance with Franchisor's specifications. Franchisee is prohibited from selling and soliciting customers through alternative distribution channels as more fully specified herein.~~

~~3.2 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other products or services not offered under the Marks, (ii) other event planning, marketing and sales concepts, non-retail events, workshops and conferences under the Marks or other trademarks, and (iii) products or services through any channel in the Territory other than a pop-up shopping event, subject to Section 3.3 below, such as distribution through retail outlets, co-branding, and the Internet ("Alternate Distribution Channels"). Franchisor further specifically reserves the right to solicit and secure regional and/or national sponsors for any and all Unique Markets® events, including Franchisee's Franchised Business Events, and Franchisee shall not solicit any regional and/or national sponsors without the prior written consent of Franchisor. Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.2 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.~~

~~3.3 Minimum Performance Standards. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum revenues, and, to that end, Franchisee agrees to use best efforts to market Franchisee's Franchised Business to meet the Minimum Performance Standards. Franchisee's failure to meet the Minimum Performance Standards is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) reduce the size of the Territory, (ii) conduct, or permit others to conduct, one (1) or more Unique Markets® events in the Territory, or (iii) terminate this Agreement.~~

4. ~~**TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date~~

~~set forth above, and terminate on the date that is five (5) years following the Opening Date, as defined in Section 8 hereof (the "Term").~~

~~5. **RENEWAL OPTIONS**. Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Renewal Franchise Agreement") for up to three (3) additional term of five (5) years each. The term of each such Renewal Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a renewal fee equal to Three Thousand Dollars ($3,000) ("Renewal Fee").~~

~~5.1 Form and Manner of Renewal. If Franchisee desires to exercise Franchisee's option to enter into a Renewal Franchise Agreement, it shall be done in the following manner:~~

~~5.1.1 Not less than six (6) months nor more than nine (9) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).~~

~~5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.~~

~~5.1.3 The Renewal Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.~~

~~5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Renewal Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.~~

~~5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.~~

~~5.2 Conditions of Renewal. Franchisee's right to enter into a Renewal Franchise Agreement is conditioned upon the following:~~

~~5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.~~

~~5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.~~

~~5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.~~

~~5.2.4 Franchisee shall execute a general release of all claims Franchisee may have against Unique Market Franchises, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Exhibit "C". This release will include all claims arising under any federal, state, or local law, rule, or ordinance.~~

~~5.2.5 Franchisee performs such repairs, replacements and redecoration as Franchisor may require in order to cause the equipment and other Franchised Business assets to conform to the specifications being used for new franchised businesses on the renewal date.~~

~~5.2.6 Franchisee shall pay the required Renewal Fee and sign the Renewal Franchise Agreement.~~

~~5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Unique Markets® franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Renewal Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate renewal term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Renewal Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.~~

~~5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to renew this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.~~

~~6 FEES~~

~~6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:~~

~~6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Thirty-Five Thousand Dollars ($35,000.00) (the "Initial Franchise Fee").~~ ~~**The Initial Franchise Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.**~~ ~~Franchisee shall pay the full amount of the Initial Franchise Fee to Franchisor upon Franchisee's execution of this Agreement.~~

~~6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee (the "Royalty Fee") equal to ten percent (10.0%) of the Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's Marks, methods, operations and/or trade secrets, including but not limited to, all Gross Revenue from each pop-up shopping event, sponsorship, workshop, appearance, or any other event planned, hosted or sponsored by Franchisee, and/or any activity by Franchisee that generates Gross Revenue (each a "Franchised Business Event"). The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights, license and Marks granted hereunder, including but not limited to, any and all other revenues received using Franchisor's methods, operations and/or trade secrets, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise.~~

~~6.1.3 Gross Revenue Reports. Franchisee shall, on the fifth (5th) day following the close of each calendar month, furnish Franchisor with a report showing Franchisee's Gross Revenue derived from all Franchised Business Events occurring in the prior calendar month, and/or made pursuant to the rights, license and Marks granted hereunder during such period (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. Franchisor reserves the right to establish a point of sale system ("POS System") that Franchisor may require Franchisee to use in the operation of the Franchised Business. At Franchisor's option, Franchisee shall submit the Gross Revenue Report by an electronic transfer of data via the POS System at the times and interims then specified by Franchisor.~~

~~6.1.4 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee and the Brand Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents that allow Franchisor to automatically take the Royalty Fee and Brand Development Fund Contribution due as well as other sums due Franchisor, from electronic payment processing systems or from business bank accounts via electronic funds transfers. Franchisee's failure to allow electronic funds transfers on an ongoing basis is a material breach of this Agreement. Franchisor reserves the right to modify the method and frequency of collection of the Royalty Fee and Brand Development Fund Contribution upon thirty (30) days' prior notice to Franchisee.~~

~~6.2 Technology Fee. Franchisee shall pay Franchisor a fee for required software and applications, in an amount that Franchisor reasonably determines, for technology adopted, developed or otherwise required by Franchisor in the operation of the Franchised Business, including but not limited to, software and applications for event management, payment processing, sales and financial reporting, assigned phone numbers and email addresses required for use in the Franchised Business, franchise portal, benchmarking platform or other operations systems (the "Technology Fee"). Franchisor reserve the right to impose an additional technology fee, in an amount that Franchisor reasonably determines, for new or improved technology adopted or developed by Franchisor for access to and maintenance of required software and processes, including but not limited to, a reservations system, payment processor, inventory control, sales and financial reporting, franchise portal, benchmarking platform or other operations systems. In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Technology Fee or (ii) replace the software and technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto.~~

~~6.3 Late Fee. If the Royalty Fee, Brand Development Fund Contribution, Technology Fee, or any Gross Revenue Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Seventy-Five Dollars ($75.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Development Fund Contribution, Technology Fee and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.~~

~~6.4 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 18% per annum or at the highest rate permitted by law, whichever is lower.~~

~~6.5 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of Two Hundred Fifty Dollars ($250.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.~~

~~6.6 Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.~~

~~7 TRAINING.~~

~~7.1 Initial Management Training Program.~~

~~7.1.1 Franchisee (specifically including all Franchisee's principals) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial management training program ("Initial Management Training Program"). Franchisee shall schedule with Franchisor attendance at the Initial Management Training Program within thirty (30) days of the Effective Date hereof, and complete, to Franchisor's satisfaction, the Initial Management Training Program at least ninety (90) days prior to Franchisee's first scheduled Franchised Business Event.~~

~~7.1.2 The Initial Management Training Program consists of mandatory pre-course training modules, plus a six (6)-day course held at Franchisor's headquarters in Los Angeles, California, and at a Unique Markets® event conducted by Franchisor or another franchisee. Franchisor reserves the right to designate an alternate location for the Initial Management Training Program. Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Management Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) people to take the Initial Management Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages.~~

~~7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Management Training Program. If the Initial Management Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Management Training Program cannot be satisfactorily completed by Franchisee and Franchisee's Principal(s), Franchisor may terminate this Agreement.~~

~~7.3 Initial Market Assistance. Provided no scheduling conflict exists, Franchisor shall provide Franchisee with assistance by a trained representative of Franchisor at Franchisee's first Franchised Business Event. The trainer will provide on-site opening training, supervision, and assistance for up to three (3) days at no charge to Franchisee.~~

~~7.4 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training:~~

~~(i) on-going training for up to five (5) days per year, at a location designated by Franchisor.~~

~~(ii) a national business meeting or annual convention for up to three (3) days per year, at a location designated by Franchisor.~~

~~Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.~~

~~7.5 In-Territory Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide in-Territory remedial training and assistance to Franchisee or Franchisee's personnel. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.~~

~~7.6 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided in-Territory pursuant to Section 7.5, furnish consultation and assistance to Franchisee, either in person or by telephone, fax, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding training, marketing, operation issues, bookkeeping and System improvements.~~

~~8 FRANCHISED BUSINESS SITE REQUIREMENTS~~

~~8.1 Site Requirements. Franchisee assumes all cost, liability, expense and responsibility for obtaining and developing an office location for the Franchised Business within the Territory. Franchisee is hereby permitted to operate out of a home-based office. If Franchisee desires to operate out of a commercial office location, such office location is subject to Franchisor's approval, which shall not be unreasonably withheld. After an office location for the Franchised Business is identified and approved, the address thereof shall be set forth on Exhibit "B" of this Agreement. Franchisee shall be responsible for equipping and outfitting the Franchised Business office as outlined in the Operations Manual.~~

~~8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall commence operating the Franchised Business upon successfully completing the Initial~~

~~Management Training Program, which date shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) hire and train staff, if required, (ii) obtain and assemble and/or install, as appropriate, all required signage, equipment and supplies to commence operation, including but not limited to, all required computer hardware, software and related accessories, and (iii) obtain all required licenses to operate the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and schedule Franchisee's first Franchised Business Event (i) in accordance with the foregoing and (ii) by the earlier of one hundred eighty (180) days following the Opening Date and (b) two hundred forty days (240) days following the Effective Date hereof shall be deemed a material event of default under this Agreement.~~

~~8.3 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the Territory set forth in Exhibit B, and no other. Franchisee shall not relocate the office of the Franchised Business at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense. In the event such permission is granted, (i) Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System, (ii) revise the contact information of Franchised Business in all business listings and (iii) the parties shall amend Exhibit B to reflect the address of the new Franchised Business office location.~~

~~9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS SITE AND SYSTEM~~

~~9.1 Maintenance of Franchised Business Location and Equipment. Franchisee shall equip and maintain the Franchised Business office location, and all required computer hardware, software, equipment, signage, furniture and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired computer hardware, software, equipment, signage, furniture and related accessories, as Franchisor may direct.~~

~~9.2 Industry Standards. Franchisee shall operate and maintain the Franchised Business assets in conformance with industry standards, including best practices for cleaning, maintenance and storage. It shall be a default of this Agreement if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.~~

~~9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, payment processing systems, and computer~~

~~hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.~~

~~9.4 Trade Dress Modifications.~~

~~9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").~~

~~9.4.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor, but not more frequently than every five (5) years, to conform to Trade Dress Modifications. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.~~

~~9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.~~

~~9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.~~

~~9.6 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.~~

~~10 FRANCHISOR'S OBLIGATIONS~~

~~Franchisor and/or its designated representative will provide the services described below:~~

~~10.1 Territory and Site Determination. Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth same in Exhibit B attached hereto~~

~~and incorporated herein. Franchisor shall also approve the site of the Franchised Business office location in accordance with Section 8.1.~~

~~10.2 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.~~

~~10.3 Operating Requirements. Provide a written list of equipment, tools, supplies and products that will be required and/or recommended to open and operate the Franchised Business for business.~~

~~10.4 Venue Approval. Approve, in Franchisor's sole discretion, each venue for Franchisee's Franchised Business Events, within ten (10) business days after receipt of information and materials required of Franchisee, in accordance with Section 12.1.3.~~

~~10.5 Advertising Materials. Provide samples, templates or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.~~

~~10.6 Website Maintenance. Maintain the Unique Markets® website with a link to Franchisee's Franchised Business and event calendar.~~

~~10.7 List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved and/or recommended suppliers of products and services for System franchisees.~~

~~10.8 Training. The training programs specified in Article 7 herein.~~

~~10.9 On-Site Assistance. On-Site training, supervision and assistance at Franchisee's first Franchised Business Event in accordance with Section 7.2.~~

~~10.10 Brand Development Fund. Administer a Brand Development Fund in accordance with Section 13.3.~~

~~10.11 Inspection. Inspection of the Franchised Business, through attendance at Franchisee's Franchised Business Events or otherwise. and evaluations of the services rendered, and products sold therein, whenever reasonably determined by Franchisor.~~

~~11 FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS~~

~~11.1 Best Efforts. Franchisee, including each of Franchisee's Principals, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.~~

~~11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:~~

~~11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;~~

~~11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Territory;~~

~~11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;~~

~~11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;~~

~~11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities; and~~

~~11.2.6 If any Franchisee Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Exhibit E hereof.~~

~~11.3 Franchisee's Employees and Managers.~~

~~11.3.1 Franchisee shall personally supervise the operation of the Franchised Business and may not appoint a manager, unless Franchisee receives Franchisor's prior written consent. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual; including but not limited to quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this~~

~~Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals; and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals. Franchisee's agents, employees and third-party business affiliates shall further:~~

~~11.3.2.1 Meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.~~

~~11.3.2.2 Execute a confidentiality and non-compete agreement in a form substantially similar to Exhibit F.~~

~~11.3.2.3 Satisfy the training requirements set forth in Article 7, including completion of the Initial Management Training Program. Franchisee shall pay Franchisor the then-current fee for attendance at the Initial Management Training Program and shall pay all other costs of to attend training, including transportation, lodging, and meals.~~

~~11.3.3 Franchisee shall promptly notify Franchisor when any employee, agent or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.~~

~~11.4 <u>Legal Compliance</u>. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, fire and police department clearances, Americans With Disability Act compliance, any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.~~

~~11.5 <u>Claims and Potential Claims</u>. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.~~

~~11.6 Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.~~

~~11.7 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.~~

~~11.8 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.~~

~~12. FRANCHISEE'S OPERATIONS~~

~~12.1 Operation of the Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:~~

~~12.1.1 Use only the equipment, furniture, signage and supplies that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor;~~

~~12.1.2 Plan and operate all Franchised Business Events in accordance with System standards, methods and format, and in accordance with the Manual and all other directives and requirements of Franchisor;~~

~~12.1.3 Prior to signing any binding commitment for a venue for any Franchised Business Event, obtain Franchisor's consent thereto. Franchisee shall submit to Franchisor~~

~~such information and materials as Franchisor requires for the proposed venue. Franchisor shall have ten (10) business days after receipt of these information and materials to consent, in its sole and absolute discretion, to the proposed venue for the Franchised Business Event.~~

~~12.1.4 Procure the necessary licenses or permits to allow the operation of the Franchised Business; and otherwise comply with all applicable governmental laws, ordinances, rules and regulations including those related to planning and operation of public events;~~

~~12.1.5 Source and secure designers, artisans, sponsors (subject to Section 3.2) and other vendors ("Vendors") for Franchised Business Events in strict accordance with Franchisor's standards, specifications and Vendor agreements. Franchisee acknowledges and accepts that Franchisee may engage Vendors for participation at Franchised Business Events only. Franchisee is expressly prohibited from selling any Vendor services or products, either alone or in association with or on behalf of Vendors, (i) outside of Franchised Business Events, (ii) on the internet, or (iii) to dealers and/or distributors for subsequent re-sale. Engaging in such sales shall be a material default of this Agreement;~~

~~12.1.6 Employ only qualified individuals, who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to Vendors and customers of Franchised Business Events. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;~~

~~12.1.7 Permit Franchisor or its agents, to inspect the records, files and communications of the Franchised Business and any services, products or equipment, through attendance at Franchisee's Franchised Business Events or otherwise, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs if any aspect of the Franchised Business fails to conform to System standards and specifications;~~

~~12.1.8 Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon~~

~~termination hereof, Franchisor may at any time enter upon the Franchised Business office location, Franchised Business Event or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;~~

~~12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.~~

~~12.2 Bookkeeping and Reports.~~

~~12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor.~~

~~12.2.2 Within fifteen (15) days after the close of each calendar month and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements shall be prepared by an independent certified public accountant and certified to be correct.~~

~~12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate. Franchisor reserves the right to modify the frequency of financial reporting upon thirty (30) days' prior notice to Franchisee.~~

~~12.2.4 Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.~~

~~12.2.5 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds that any Gross Revenue Report was understated by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor,~~

~~be considered an incurable default and thereby subject to termination as provided herein.~~

~~12.3 Computer Systems.~~

~~12.3.1 Franchisee, at Franchisee's sole expense, shall install and maintain computer hardware and software, including any designated point-of-sale system ("POS System"), that Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.~~

~~12.3.2 Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's POS System, other computer systems and web-based payment processing accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's POS System, other computer systems and web-based payment processing accounts.~~

~~12.3.3 Any and all Vendor and customer data collected or provided by Franchisee, retrieved from Franchisee's POS System, other computer systems and web-based payment processing accounts, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.~~

~~12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.~~

~~12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.~~

~~12.3.6 Franchisor has established a website that provides information about the System and the services and products offered by the Unique Markets® System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website linking Franchisee's Franchised Business Event calendar and contact information. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to such link to Franchisee's contact information upon expiration or termination of this Agreement for any reason.~~

~~12.3.7 In addition to the Technology Fee payable pursuant to Section 6.2 hereof, Franchisee shall pay all fees and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, licensing or user-based fees for a franchise portal or a benchmarking platform.~~

~~12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the Vendor, customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.~~

~~12.4 <u>Safety and Security</u>. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, Vendors, customers, and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.~~

~~12.5 <u>Prices</u>. Subject to applicable law, Franchisor will set minimum and maximum prices for services and products offer by Franchisee and recommend selling prices. Franchisee shall have the right to sell its services and products at any price within Franchisor's parameters. If Franchisee elects to offer for sale services and products at any price recommended by Franchisor, Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering such services or products at the recommended price will enhance Franchisee's sales or profits.~~

~~12.6 <u>Unapproved Item/Suppliers</u>.~~

~~12.6.1 If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall~~

~~not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. A proposed item/supplier evaluation fee (the "Evaluation Fee") equal to the greater of: (i) Two Hundred Fifty Dollars ($250.00) or (ii) actual cost of the inspection and/or testing shall be paid by Franchisee, with the initial amount of Two Hundred Fifty Dollars ($250.00) payable at the time of Franchisee's written request for approval. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within ninety (90) days after Franchisor receives all required information to evaluate the product, service or supplier; provided however, if Franchisor does not respond to Franchisee's request for approval with such ninety (90)-day period, the request is deemed "disapproved". Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.~~

~~12.6.2 Should Franchisor approve Franchisee's proposed item or supplier for use by the entire System, Franchisor will reimburse to Franchisee the Evaluation Fee.~~

~~12.7 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, mystery shop programs and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.~~

~~12.8 Training at Franchised Business Events. Franchisee expressly permits Franchisor and any System franchisee to attend any of Franchisee's Franchised Business Events, without charge, for the purpose of training such System franchisee. Training at a Franchised Business Event shall include observation and active instruction, provided that Franchisee shall have no obligation to provide any direct instruction or supervision. Franchisee shall receive no compensation for training that occurs at any Franchised Business Event.~~

~~12.9 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular territory or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without~~

~~giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.~~

~~13 ADVERTISING, PROMOTIONS AND RELATED FEES~~

~~13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.~~

~~13.2 Local Advertising.~~

~~13.2.1 In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall spend a minimum of Two Thousand Dollars ($2,000.00) to Five Thousand Dollars ($5,000.00) on advertising of each Franchised Business Event in the Territory ("Local Advertising"). The minimum Local Advertising expenditure shall be dependent on the nature and size of the Franchised Business Event and set in accordance with Franchisor's specifications. One Thousand Five Hundred Dollars ($1,500.00) of each Local Advertising campaign shall be directed toward Vendor procurement.~~

~~Franchisor reserves the right to require Franchisee to direct some or all of Franchisee's required Local Advertising expenditures to Franchisor or a local or regional digital advertising vendor(s), who will provide certain Local Advertising services to Franchisee. Franchisor may require Franchisee to allocate to a regional advertising cooperative, as described in Section 13.4, up to one-half of Franchisee's required Local Advertising expenditures.~~

~~13.2.2 Within ten (10) business days of Franchisor's request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee's Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall **_not_** be included in Franchisee's expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee's personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.~~

~~13.2.3 Franchisee shall spend at least Five Thousand Dollars ($5,000.00), of which One Thousand Five Hundred Dollars ($1,500.00) shall be directed toward Vendor procurement, on Local Advertising and promotional activities in the Territory~~

~~commencing with Franchisee's scheduling of Franchisee's first Franchised Business Event and for the ninety (90) days following to promote Franchisee's first Franchised Business Event.~~

~~13.3 Brand Development Fund.~~

~~13.3.1 Franchisor has established a national brand fund (the "Brand Development Fund") on behalf of the System for national advertising and marketing. Franchisee is required to contribute an amount equal to six percent (6%) of the Gross Revenue generated by Franchisee's Franchised Business to the Brand Development Fund ("Brand Development Fund Contribution"). Payments will be made in the same manner and time as the Royalty Fees.~~

~~13.3.2 Franchisor shall direct all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.~~

~~13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Development Fund on the same basis as Franchisee with respect to Unique Markets® events operated by Franchisor or Franchisor's affiliates.~~

~~13.3.4 Franchisor may use the Brand Development Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares).~~

~~13.3.5 The Brand Development Fund will be operated solely as a conduit for collecting and expending the advertising contributions for the System. The Brand Development Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Development Fund and such costs and expenses pursuant Section 13.3.4. The Brand Development Fund and its earnings shall not otherwise inure to Franchisor's benefit; provided however, Franchisor reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Development Fund contributions.~~

~~13.3.6 Franchisor will prepare an unaudited annual statement of the Brand Development Fund's operations and will make it available to Franchisee upon request. In administering the Brand Development Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.~~

~~13.3.7 Although the Brand Development Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.~~

~~13.4 Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts Franchisor requires, in addition to required Brand Development Fund Contributions.~~

~~13.5 Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements.~~

~~13.6 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee~~

~~for the Unique Markets® brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.~~

~~14 INTELLECTUAL PROPERTY~~

~~14.1 Ownership.~~

~~14.1.1 Franchisee expressly understands and acknowledges that Unique Markets, Inc. ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to its website, documents, vendor and venue contracts, advertisements, promotional materials and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".~~

~~14.1.2 As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.~~

~~14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business office and Franchised Business Events or in approved advertising related to the Franchised Business.~~

~~14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.~~

~~14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.~~

~~14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide~~

~~Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.~~

~~14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.~~

~~14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:~~

~~14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Mark "Unique Markets" and design. Franchisee shall not use the Marks as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of Unique Market Franchises, LLC".~~

~~14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent Unique Markets® franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, Vendor and venue agreements, receipts and contracts, as well as the display of a notice in such content, form and placement, as Franchisor may designate in writing.~~

~~14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.~~

~~14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.~~

~~14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments~~

~~and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.~~

~~14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.~~

~~14.10. Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.~~

~~15 INSURANCE AND INDEMNIFICATION~~

~~15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):~~

~~15.1.1 Liability. Commercial general liability insurance, including products liability and products/completed operations coverage, in the amounts of at least One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate and medical expense (any one person) of at least Five Thousand Dollars ($5,000), with umbrella coverage for bodily injury of at least One Million Dollars ($1,000,000);~~

~~15.1.2 Property. Fire, vandalism and extended coverage insurance for property damage with primary and excess limits of not less than Fifty Thousand Dollars ($50,000) or the full replacement value of Franchisee's furniture, equipment and other personal property, whichever is higher:~~

~~15.1.3 Employment. Upon hiring any employee, worker's compensation coverage in the limits required by state law, employer practices insurance in the amount of Five~~

~~Hundred Thousand Dollars ($500,000.00) per incident, and employee dishonesty coverage of at least One Hundred Thousand Dollars ($100,000.00), shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;;~~

~~15.1.4 Automobile. Coverage for all owned, leased, non-owned and hired vehicles used in the Franchised Business in an amount of not less than One Million Dollars ($1,000,000) per occurrence. Such insurance shall include under-insured and uninsured motorist coverage as required by state law;~~

~~15.1.5 Damage to Rented Premises. Coverage for damage to premises and contents in amount of not less than One Hundred Thousand Dollars ($100,000).~~

~~15.1.6 Event-Specific Insurance. As may be required in accordance with the Manual, including liquor liability coverage, as applicable. Additionally, should any individual, entity or venue with whom Franchisee contracts to host a Franchised Business Event require higher insurance policy minimum(s) than set forth above, such higher minimum(s) shall control.~~

~~15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.~~

~~15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with a reasonable fee for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.~~

~~15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.~~

~~15.5 Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover~~

~~under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.~~

~~15.6~~ Indemnification. ~~TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS UNIQUE MARKET FRANCHISES,, LLC, UNIQUE MARKETS, INC., AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES (COLLECTIVELY REFERRED TO AS THE "UNIQUE MARKETS INDEMNITEES") AS WELL AS THE UNIQUE MARKETS INDEMNITEES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES, FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S UNIQUE MARKETS® FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS OR SERVICES, OR ANY FRANCHISED BUSINESS EVENT, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE UNIQUE MARKETS INDEMNITEES. FRANCHISEE AGREES TO PAY FOR ALL THE UNIQUE MARKETS INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE UNIQUE MARKETS INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE UNIQUE MARKETS INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE UNIQUE MARKETS INDEMNITEES HARMLESS, FRANCHSIEE WILL REIMBURSE THE UNIQUE MARKETS INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE UNIQUE MARKETS INDEMNITEES.~~

______

~~Initial~~

~~16 TRANSFERS~~

~~16.1 Transfers by Franchisor.~~

~~16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the~~

~~foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.~~

~~16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the businesses or facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired businesses or facilities that are operating within the Territory to a Unique Markets® franchise during the Term of this Agreement.~~

~~16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the event planning or pop-up market business or to offer or sell any products or services to Franchisee.~~

~~16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principals of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.~~

~~16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability~~

~~company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:~~

~~16.3.1 The proposed transferee and all its principals must have the demeanor, and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.~~

~~16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;~~

~~16.3.3 The transferee has agreed to complete Franchisor's Initial Management Training Program to Franchisor's satisfaction;~~

~~16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;~~

~~16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;~~

~~16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, as set forth in Exhibit C hereof, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;~~

~~16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and~~

~~16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.~~

~~16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to seventy-five percent (75%) of the then-current initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is fifty percent (50%) of the then-current initial franchise fee, (ii) for transfers of ownership interest among existing shareholders or members, or to add a new shareholder or member, of the Franchisee entity and such transfer does not change management control of the Franchisee entity, the transfer fee is One Thousand Five Hundred Dollars ($1,500.00), and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, the transfer fee is Three Thousand Five Hundred Dollars ($3,500.00).~~

~~16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.~~

~~16.6 Franchisor 's Right of First Refusal.~~

~~16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.~~

~~16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.~~

~~16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.~~

~~16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable~~

~~than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.~~

~~16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, as the case may be, the Franchise granted by this Agreement will terminate, unless prohibited by applicable law. If prohibited by applicable law, the executor, administrator, conservator or other personal representative of Franchisee or Franchisee's Principal, as the case may be, will transfer Franchisee's or Franchisee's Principal's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.~~

~~Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management and retain twenty-five percent (25%) of the Gross Revenue generated, or to be generated, by the Franchised Business during Franchisor's operation thereof as compensation therefor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.~~

~~16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.~~

~~16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions.~~

~~17 DEFAULTS~~

~~17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files 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 thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under 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 Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.~~

~~17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:~~

~~17.2.1 fails to (i) obtain all required licenses and permits before opening, or (ii) open the Franchised Business, or (iii) schedule Franchisee's first Franchised Business Event within the time and in the manner specified in Article 8.~~

~~17.2.2 falsifies any report required to be furnished Franchisor hereunder;~~

~~17.2.3 fails to conduct a Franchised Business Event during any six (6)-month period during the Term, without our prior approval;~~

~~17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;~~

~~17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;~~

~~17.2.6 fails to comply with the covenants in Article 15;~~

~~17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;~~

~~17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.~~

~~17.2.9 has misrepresented or omitted material facts in applying for the Franchise;~~

~~17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;~~

~~17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;~~

~~17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;~~

~~17.2.13 creates a threat or danger to public health or safety from operation of the Franchised Business;~~

~~17.2.14 refuses to permit Franchisor to inspect the Franchised Business or audit Franchisee's books or records;~~

~~17.2.15 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);~~

~~17.2.16 fails to comply with the non-competition covenants in Section 19.5;~~

~~17.2.17 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or any renewals or has been given at least two (2) notices of default in any consecutive twelve (12) month period, whether or not the defaults have been corrected;~~

~~17.2.18 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;~~

~~17.2.19 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement; or~~

~~17.2.20 terminates this Agreement without cause.~~

~~17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:~~

~~17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12) month period, and the third such late payment in any twelve (12) month period shall be a non-curable default under Sections 17.2.17 and/or 17.2.18;~~

~~17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12) month period, and the third such default, whether monetary or non-monetary, in any twelve (12) month period shall be a non-curable default under Section 17.2.17.~~

~~17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:~~

~~17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or~~

~~17.4.2 exercise complete authority with respect to the operation of the Franchise Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor twenty-five percent (25%) of the Gross Revenue generated, or to be generated, by the Franchised Business during Franchisor's operation thereof as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all fringe benefits plus all travel expenses, lodging, meals and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.~~

~~17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.~~

~~18 POST-TERMINATION~~

~~18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:~~

~~18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current Unique Markets® owner, franchisee or licensee;~~

~~18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's designs, copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, and immediately and permanently cease to use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Licensor, or the System and permanently refrain from using in any way Franchisor's name or Intellectual Property in connection with Franchisee's future business endeavors. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, agreements and any other articles or materials, which display the Marks;~~

~~18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;~~

~~18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, equipment, and inventory owned by Franchisee and/or located at the Franchised Business office location at the time of default;~~

~~18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in performing Franchisee's post-termination covenants, as set forth in this Section 18.1, if Franchisee fails to do so, or in~~

~~obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;~~

~~18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to Vendor and customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law; and~~

~~18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19.~~

~~18.2 Right to Purchase.~~

~~18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment (including any computer or point of sale system), furniture, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) 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 its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.~~

~~18.2.2 With respect to the options described in Sections 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.~~

~~18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.~~

~~18.3 Assignment of Telephone Numbers. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.6, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.~~

~~18.4. Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.~~

~~19 NON-DISCLOSURE AND NON-COMPETITION COVENANTS~~

~~19.1 Operations Manual.~~

~~19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.~~

~~19.1.2 Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principal(s) shall not divulge and make such materials available to anyone other than those of Franchisee's~~

~~employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.~~

~~19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.~~

~~19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.~~

~~19.1.5 If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee. The replacement fee as of the date of this Agreement is One Hundred Dollars ($100.00).~~

~~19.2 Confidential Information. Franchisee along with its Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, pricing, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the~~

~~System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.~~

~~19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.~~

~~19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.~~

~~19.5 Noncompetition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's managers and employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized~~

~~training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:~~

~~19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, Vendor or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any event planning or pop-up event, market, festival or fair business similar to the System; or (iii) seek to employ any person who is at that time employed by Franchisor, or otherwise induce such person to leave his or her employment; or (iv) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (v) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Unique Markets® franchisees or Franchisor-affiliated outlets.~~

~~19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, Vendor or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any in any event planning or pop-up event, market, festival or fair business within fifty (50) miles of the Territory or any Unique Markets® territory; or (iii) seek to employ any person who is at that time employed by Franchisor, or otherwise induce such person to leave his or her employment or (iv) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (v) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Unique Markets® franchisees.~~

~~19.6 Reasonableness of Restrictions. Franchisee and each Principal acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principals since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.~~

~~19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article~~

~~19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.~~

~~19.8 Injunctive Relief. Franchisee and each Principal acknowledge that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consent to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.~~

~~19.9 No Defense. Franchisee and each Principal, if any, expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.~~

~~19.10 Covenants of Employees, Agents and third persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Exhibit F, as revised and updated from time to time and contained in the Manual.~~

~~20 DISPUTE RESOLUTION~~

~~20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Exhibits hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.~~

~~20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.~~

~~20.3 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of California. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of California. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in California. Franchisee and its Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.~~

~~20.4 Mutual benefit. Franchisee, each Principal and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.3 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s) and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.~~

~~20.5 Waiver of Certain Damages. Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.~~

~~20.6 Limitations of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.~~

~~20.7 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.~~

~~21 GENERAL~~

~~21.1 Independent Contractor. Franchisee is and shall be an independent contractor under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf~~

~~of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of any allegation of an agent, partner or employment relationship.~~

~~21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principal(s) in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.~~

~~21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.~~

~~21.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing in this Agreement or in any related agreement is intended to disclaim the representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.~~

~~21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.~~

~~21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.~~

~~21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the~~

~~introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.~~

~~21.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.~~

~~21.9 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 that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its 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, earlier termination or exercise of Franchisor's rights pursuant to Article 17 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.~~

~~21.10 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of California, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their DocuSign Signature to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a DocuSign signature(s) as the respective party's signature.~~

~~22.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument. Confirmation of execution by electronic transmission of a facsimile or .pdf signature page shall be binding.~~

~~21.12 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.~~

~~22 ACKNOWLEDGMENTS~~

~~Franchisee hereby acknowledges the following:~~

~~22. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.~~

~~_____~~
~~Initial~~

~~22.2 Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.~~

~~_____~~
~~Initial~~

~~22.3 Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing this Agreement and that it/she/he understands all the terms and conditions of this Agreement. Franchisee further acknowledges that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.~~

~~_____~~
~~Initial~~

~~22.4 Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth herein. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining this Agreement.~~

~~_____~~
~~Initial~~

~~22.5 Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.~~

~~Initial~~

~~22.6. Franchisee acknowledges that Franchisor's determination of the Territory does not constitute a warranty, recommendation or endorsement of the Territory for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business in the Territory will be successful or profitable.~~

~~Initial~~

~~22.7 Franchisee acknowledges that it has received the Unique Market Franchises, LLC, Franchise Disclosure Document with a complete copy of this Agreement and all related Exhibits and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.~~

~~Initial~~

~~22.8 Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to this Agreement or the relationship thereby created.~~

~~Initial~~

~~22.9 Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by this Agreement.~~

~~Initial~~

~~22.10 Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's~~

~~obligations and rights with respect to its various franchisees may differ materially in certain circumstances.~~

~~Initial~~

~~22.11 It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.~~

~~Initial~~

~~22.12 Release of Prior Claims. BY EXECUTING THIS AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE UNIQUE MARKET FRANCHISES,, LLC, UNIQUE MARKETS, INC., THE UNIQUE MARKETS INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.~~

~~Initial~~

~~-Remainder of Page Intentionally Blank-~~

~~The parties hereto have executed this Franchise Agreement in triplicate the day and year first above written.~~

~~FRANCHISOR:~~

~~UNIQUE MARKET FRANCHISES, LLC~~

~~By:~~

~~(Print Name, Title)~~

~~FRANCHISEE:~~

~~By:~~

~~(Print Name, Title)~~

~~PRINCIPAL:~~

~~(Print Name)~~

~~PRINCIPAL:~~

~~(Print Name)~~

~~EXHIBIT A~~

~~Service Marks~~

~~UNIQUE MARKETS~~
~~(word mark)~~

UNIQUE
MARKETS

~~**EXHIBIT B**~~

~~**TERRITORY DESCRIPTION**~~

~~Territory (insert map and/or define by zip codes):~~

~~Franchised Business Office Address:~~

~~EXHIBIT B-1~~

~~MINIMUM PERFORMANCE STANDARDS~~

	~~YEAR 1~~	~~YEAR 2~~	~~YEAR 3~~	~~YEAR 4~~	~~YEAR 5+~~
~~Minimum Annual Gross Revenue~~	~~80,000~~	~~$150,000~~	~~$230,000~~	~~$245,000~~	~~$270,000~~

~~EXHIBIT C~~

~~GENERAL RELEASE~~

~~____ ("Franchisee") and its principal(s):~~

~~____~~

~~____~~

~~____~~

~~____~~

~~(collectively, "Franchisee's Principal(s)"), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless ___________________________Unique Market Franchises, LLC ("Franchisor"), Unique Markets, Inc., their affiliates, and each of their respective officers, directors, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated ____ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").~~

~~FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT.~~

~~The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee~~

~~Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.~~

~~Executed as of ___________________, 20___.~~

~~FRANCHISEE:~~

~~Attest: ___________________ By:___________________________________~~

~~___________________________ ___________________________, ___________________~~

~~(Name) (Name, Title)~~

~~FRANCHISEES'S PRINCIPAL:~~

~~___________________________ ___________________________________~~

~~Witness Name:________________ Print Name: ___________________________________~~

~~___________________________ ___________________________________~~

~~Witness Name:________________ Print Name: ___________________________________~~

~~___________________________ ___________________________________~~

~~Witness Name:________________ Print Name: ___________________________________~~

~~___________________________ ___________________________________~~

~~Witness Name:________________ Print Name: ___________________________________~~

~~**EXHIBIT D**~~

~~**STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/FRANCHISEE ENTITY**~~

~~**Name**~~	~~**Percentage of Ownership**~~

~~**EXHIBIT E**~~

~~**GUARANTY**~~

~~This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on____ ______________________________, (the "Effective Date") to Unique Market Franchises, LLC, a California limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchisee Agreement") with ____, a(n)________ __________________________, ______________________________________ and ________________ ____________________(collectively "Franchisee").~~

~~Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.~~

~~Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.~~

~~Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.~~

~~This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.~~

~~Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.~~

~~If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.~~

~~Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.~~

~~All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.~~

~~Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.~~

~~This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.~~

~~IN WITNESS WHEREOF, Guarantor has signed this Guaranty as of the date set forth above.~~

~~GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:~~

____

~~Print Name:~~ ______________________________

~~EXHIBIT F~~

~~CONFIDENTIALITY AND NON-COMPETE AGREEMENT~~

~~This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this ___ day of____________________________, 20___, by ____ ___________________________, a(n) ____ _____________ ("Franchisee"), a franchisee of Unique Market Franchises, LLC a California limited liability company ("Franchisor"), and ______________________, an individual ("Covenantor") in connection with an Franchise Agreement dated.~~

~~**WHEREAS,** Franchisee and Franchisor are parties to a franchise agreement dated _________________ , 20___ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark "Unique Markets" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the planning and operation of Franchised Business Events;~~

~~**WHEREAS**, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Unique Markets® operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");~~

~~**WHEREAS**, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;~~

~~**WHEREAS**, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and~~

~~**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:~~

~~**1. Confidentiality Agreement.**~~

~~**a.** Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.~~

~~**b.** Covenantor shall 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.~~

~~**c.** Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.~~

~~**d.** Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.~~

~~**e.** Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.~~

~~**f.** Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.~~

~~**2. Covenants Not to Compete.**~~

~~**a.** In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:~~

> ~~(i) divert, or attempt to divert, any business, vendor or customer of the Unique Markets® franchise or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise,~~
>
> ~~(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any event planning or pop-up event, market, festival or fair business similar to the System, or~~
>
> ~~(iii) seek to employ any person who is at that time employed by Franchisor or otherwise induce such person to leave his or her employment.~~

~~**b.** In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:~~

> ~~(i) divert, or attempt to divert, any business, vendor or customer of the Franchised Business or of other franchisees in the Unique Markets® System to any competitor, by direct or indirect inducement or otherwise,~~
>
> ~~(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational or supervisory capacity in any event planning or pop-up event, market, festival or fair business within fifty (50) miles of Franchisee's Territory or any Unique Markets® territory, or~~
>
> ~~(iii) seek to employ any person who is at that time employed by Franchisor or otherwise induce such person to leave his or her employment.~~

~~**c.** The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical 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.~~

~~**d.** If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.~~

~~**3. General.**~~

~~**a.** Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.~~

~~**b.** Covenantor agrees that in the event of a breach of this Agreement, Franchisor 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, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that 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.~~

~~**c.** Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.~~

~~**d.** Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.~~

~~**e.** THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REFERENCE TO CALIFORNIA CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF CALIFORNIA. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY CALIFORNIA OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN CALIFORNIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.~~

~~**f.** The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.~~

~~**g.** Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.~~

~~**h.** 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.~~

~~**i.** All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:~~

~~If directed to Franchisee:~~

____

~~If directed to Covenantor:~~

~~Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.~~

~~**j.** Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.~~

~~**k.** The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.~~

~~IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.~~

~~FRANCHISEE:~~

~~By:~~
~~Name:~~
~~Title:~~

~~COVENANTOR:~~

~~Name:~~

EXHIBIT C

FINANCIAL STATEMENTS

UNIQUE MARKETS FRANCHISES, LLC

December 31, ~~2018~~2019

A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

UNIQUE MARKETS FRANCHISES LLC

DECEMBER 31, 2018

FINANCIAL STATEMENTS

279 Niagara Falls Blvd.   Amherst, New York 14226   716 – 510-6068

UNIQUE MARKETS FRANCHISES LLC

Table of Contents

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

February 24, 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Unique Markets Franchises LLC:

REPORT ON FINANCIAL STATEMENTS

~~I have audited the accompanying balance sheet of Unique Markets Franchises LLC as of~~ December 31, 2018 and the related statements of operations, changes in owner's equity and ~~cash flows for the period August 1 through December 31, 2018, and the related notes to the~~ financial statements (collectively, 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 principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the~~ preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I ~~conducted my audits in accordance with generally accepted auditing standards as 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 of material misstatement.

~~An audit includes performing procedures to obtain audit evidence about the amounts and~~ disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial ~~statements, whether due to fraud or error. In making those risk assessments, the auditor~~ considers internal control relevant to the Company's preparation and fair presentation of the ~~financial statements in order to design audit procedures that are appropriate in the~~ circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion.

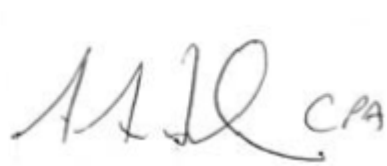
279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also ~~includes assessing the accounting principles used and significant estimates made by~~ management, as well as evaluating the overall financial statement presentation.

~~I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis~~ for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, ~~the financial position of Unique Markets Franchises LLC as of December 31, 2018 and the~~ results of operations and its cash flows for the period August 1 through December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.



A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Unique Markets Franchises LLC

Balance Sheet
December 31, 2018

ASSETS

CURRENT ASSETS		
Cash	$	75,000
~~Accounts Receivable~~		~~-~~
~~TOTAL CURRENT ASSETS~~		~~75,000~~
OTHER ASSETS		
Organization Costs		-
Software		-
~~Accumulated Amortization~~		~~-~~
		-
~~TOTAL ASSETS~~	~~$~~	~~75,000~~

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts Payable	$	-
Due to Owner		70,000
~~TOTAL CURRENT LIABILITIES~~		~~70,000~~
TOTAL LIABILITIES		70,000
OWNERS' EQUITY		
~~MEMBERS EQUITY~~		~~5,000~~
~~TOTAL LIABILITIES & MEMBERS EQUITY~~	~~$~~	~~75,000~~

See accompanying notes

Unique Markets Franchises LLC

Statement of Operations
Year ending December 31, 2018

Revenues		
~~Design fee revenues~~	~~$~~	~~-~~
Royalties		-
Total revenue		-
~~Product, sales less cost~~		~~-~~
Gross margin		-
Operating Expenses		
Advertising		-
Bank charges		-
Miscellaneous		-
Office		-
~~Payroll and taxes~~		~~-~~
Professional fees		-
Travel and meals		-
		-
Income from operations		-
Amortization		-
Taxes		-
~~Net Income~~	~~$~~	~~-~~

See accompanying notes

Unique Markets Franchises LLC

Statement of Changes in Owners' Equity
Year ending December 31, 2018

	Total Equity
~~Equity at October 1, 2018~~	~~$ -~~
~~Capital Infusion~~	~~5,000~~
Net Income	-
~~Equity at December 31, 2018~~	~~$ 5,000~~

See accompanying notes

Unique Markets Franchises LLC

Statement of Cash Flows
Year ending December 31, 2018

Cash flows from operating activities:	
Net Income	$ -
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	-
Changes in assets and liabilities	
Current assets	-
~~Current liabilities~~	~~70,000~~
~~Net cash provided by operating activities~~	~~70,000~~
Cash flows from investing activities:	
Proceeds from Line of Credit	-
Payments on Long-term debt	-
Expenditures on Fixed Assets	-
~~Net cash provided by investing activities~~	~~-~~
Cash flows from financing activities:	
Capital Infusion	5,000
Net cash provided by investing activities	5,000
~~Net increase in cash~~	~~75,000~~
Cash - beginning of period	-
~~Cash - end of period~~	~~$ 75,000~~

See accompanying notes

UNIQUE MARKETS FRANCHISES LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

Unique Markets Franchises LLC. (the “Company") was incorporated in the State of California for the purpose of selling franchises to qualified investor to open their own Unique Market operation, as a franchise.

The company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

.USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements,

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable for royalties, franchise fees and other income due are recorded at the amount the Company expects to collect on balances outstanding at the end of the year. Management closely monitors outstanding balances and provides for estimates of uncollectible balances in an allowance for doubtful accounts.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue.

Monthly royalty fees will be recognized when incurred by the franchisee.

.

COMPANY INCOME TAXES

The Company, with the consent of its ownership, has elected to be treated as an LLC. As such, the Company is not responsible for income taxes on its taxable income; rather, the members will be responsible for their pro rata share of any taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

INTANGIBLE ASSETS

The Company has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, Intangibles - Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives (such as franchise development costs) are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

Costs associated with the acquisition of trademarks, trade names, and operating manuals are capitalized and amortized using the straight-line method over 15 years. Software costs are capitalized and amortized using the straight-line method over 3 years.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2018, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 SUBSEQUENT EVENTS

~~Subsequent events have been evaluated through April 3, 2019, the date that the financial~~ statements were available to be issued.

A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

UNIQUE MARKETS FRANCHISES LLC

DECEMBER 31, 2019

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

UNIQUE MARKETS FRANCHISES LLC

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A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

April 16, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Unique Markets Franchises LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Unique Markets Franchises LLC as of December 31, 2019 and the related statements of operations, changes in owner's equity and cash flows for the year then ended, and the related notes to the financial statements (collectively, 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 principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as 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 of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Unique Markets Franchises LLC as of December 31, 2019 and the results of operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CPA

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Unique Markets Franchises LLC

Balance Sheet
December 31, 2019

ASSETS

CURRENT ASSETS		
Cash	$	103,210
Accounts Receivable		-
TOTAL CURRENT ASSETS		103,210
OTHER ASSETS		
Organization Costs		-
Software		-
Accumulated Amortization		-
		-
TOTAL ASSETS	$	103,210

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts Payable	$	-
Due to Owner		-
TOTAL CURRENT LIABILITIES		-
TOTAL LIABILITIES		-
OWNERS' EQUITY		
MEMBERS EQUITY		103,210
TOTAL LIABILITIES & MEMBERS EQUITY	$	103,210

See accompanying notes

Unique Markets Franchises LLC

Statement of Operations
Year ending December 31, 2019

Revenues		
Franchise fees	$	30,000
Royalties		-
Total revenue		30,000
Product, sales less cost		-
Gross margin		30,000
Operating Expenses		
Advertising		-
Bank charges		-
Miscellaneous		10
Office		295
Payroll and taxes		-
Professional fees		685
Travel and meals		-
		990
Income from operations		29,010
Amortization		-
Taxes		(800)
Net Income	$	28,210

See accompanying notes

Unique Markets Franchises LLC

Statement of Changes in Owners' Equity
Year ending December 31, 2019

	Total Equity
Equity at January 1, 2019	$ 5,000
Capital Infusion	70,000
Net Income	28,210
Equity at December 31, 2019	$ 103,210

See accompanying notes

Unique Markets Franchises LLC

Statement of Cash Flows
Year ending December 31, 2019

Cash flows from operating activities:		
Net Income	$	28,210
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		-
Changes in assets and liabilities		
Current assets		-
Current liabilities		(70,000)
Net cash provided by operating activities		(41,790)
Cash flows from investing activities:		
Proceeds from Line of Credit		-
Payments on Long-term debt		-
Expenditures on Fixed Assets		-
Net cash provided by investing activities		-
Cash flows from financing activities:		
Capital Infusion		70,000
Net cash provided by investing activities		70,000
Net increase in cash		28,210
Cash - beginning of year		75,000
Cash - end of year	$	103,210

See accompanying notes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

Unique Markets Franchises LLC. (the “Company") was incorporated in the State of California for the purpose of selling franchises to qualified investor to open their own Unique Market operation, as a franchise.

The company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

.USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements,

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable for royalties, franchise fees and other income due are recorded at the amount the Company expects to collect on balances outstanding at the end of the year. Management closely monitors outstanding balances and provides for estimates of uncollectible balances in an allowance for doubtful accounts.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue.

Monthly royalty fees will be recognized when incurred by the franchisee.

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COMPANY INCOME TAXES

The Company, with the consent of its ownership, has elected to be treated as an LLC. As such, the Company is not responsible for income taxes on its taxable income; rather, the members will be responsible for their pro rata share of any taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

INTANGIBLE ASSETS

The Company has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, Intangibles - Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as intellectual property) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives (such as franchise development costs) are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable.

Costs associated with the acquisition of trademarks, trade names, and operating manuals are capitalized and amortized using the straight-line method over 15 years. Software costs are capitalized and amortized using the straight-line method over 3 years.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2019, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 16, 2020, the date that the financial statements were available to be issued.

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

UNIQUE MARKETS FRANCHISES LLC

DECEMBER 31, 2018

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

UNIQUE MARKETS FRANCHISES LLC

Table of Contents

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

February 24, 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Unique Markets Franchises LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Unique Markets Franchises LLC as of December 31, 2018 and the related statements of operations, changes in owner's equity and cash flows for the period August 1 through December 31, 2018, and the related notes to the financial statements (collectively, 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 principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as 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 of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Unique Markets Franchises LLC as of December 31, 2018 and the results of operations and its cash flows for the period August 1 through December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

CPA

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Unique Markets Franchises LLC

Balance Sheet
December 31, 2018

ASSETS

CURRENT ASSETS		
Cash	$	75,000
Accounts Receivable		-
TOTAL CURRENT ASSETS		75,000
OTHER ASSETS		
Organization Costs		-
Software		-
Accumulated Amortization		-
		-
TOTAL ASSETS	$	75,000

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts Payable	$	-
Due to Owner		70,000
TOTAL CURRENT LIABILITIES		70,000
TOTAL LIABILITIES		70,000
OWNERS' EQUITY		
MEMBERS EQUITY		5,000
TOTAL LIABILITIES & MEMBERS EQUITY	$	75,000

See accompanying notes

Unique Markets Franchises LLC

Statement of Operations
Year ending December 31, 2018

Revenues	
Design fee revenues	$ -
Royalties	-
Total revenue	-
Product, sales less cost	-
Gross margin	-
Operating Expenses	
Advertising	-
Bank charges	-
Miscellaneous	-
Office	-
Payroll and taxes	-
Professional fees	-
Travel and meals	-
	-
Income from operations	-
Amortization	-
Taxes	-
Net Income	$ -

See accompanying notes

Unique Markets Franchises LLC

Statement of Changes in Owners' Equity
Year ending December 31, 2018

	Total Equity
Equity at October 1, 2018	$ -
Capital Infusion	5,000
Net Income	-
Equity at December 31, 2018	$ 5,000

See accompanying notes

Unique Markets Franchises LLC

Statement of Cash Flows
Year ending December 31, 2018

Cash flows from operating activities:	
Net Income	$ -
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	-
Changes in assets and liabilities	
Current assets	-
Current liabilities	70,000
Net cash provided by operating activities	70,000
Cash flows from investing activities:	
Proceeds from Line of Credit	-
Payments on Long-term debt	-
Expenditures on Fixed Assets	-
Net cash provided by investing activities	-
Cash flows from financing activities:	
Capital Infusion	5,000
Net cash provided by investing activities	5,000
Net increase in cash	75,000
Cash - beginning of period	-
Cash - end of period	$ 75,000

See accompanying notes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The Company estimates that the fair value of all financial instruments at December 31, 2018, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 3, 2019, the date that the financial statements were available to be issued.

EXHIBIT D

UNIQUE MARKETS® OPERATIONS MANUAL
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EXHIBIT E

FRANCHISED OUTLETS

None

Franchise Agreements Signed But Outlet Not Open as of December 31, 2019

Franchisee	Individual Contact	City/State	Phone
Cultivate Here, LLC	Heidi Reichert	Portland, OR	(415) 359-8869

EXHIBIT F

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The Department for Business Oversight for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. 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.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

3. Item 3 is amended to add:

   Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:

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

   (b) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

   (c) 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.

   (d) The earning claims figures do not reflect all costs or expenses that must be deducted from gross revenue figures to obtain your net income or profit. You should conduct an independent investigation of the cost and expenses you will incur in operating your Unique Markets business. Franchisee or form franchisees, listed in the disclosure document, may be one source of this information.

5. 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.

6. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

AMENDMENT TO THE UNIQUE MARKETS FRANCHISES, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., which govern the attached Unique Markets Franchise Agreement, the parties thereto agree as follows:

1. To the extent of any inconsistencies, Section 6.1 of the Franchise Agreement is hereby amended to add:

"Franchisor will defer collection of the Initial Franchise Fee and other initial fees payable to the Franchisor until Franchisor has fulfilled its initial pre-opening obligations."

IN WITNESS WHEREOF, the parties hereto have duly executed this California Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

UNIQUE MARKETS FRANCHISES, LLC

By:____________________________________

Sonja Rasula, CEO
(Print Name, Title)

FRANCHISEE:

____

By:____________________________________

__________________________, ____________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

~~HAWAII DISCLAIMER~~

~~THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.~~

~~THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.~~

~~THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.~~

~~Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, 335 Merchant Street, Honolulu, Hawaii 96813~~

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ~~MINNESOTA~~WASHINGTON

~~The Commissioner of Commerce for~~ The State of ~~Minnesota requires that certain provisions contained in~~ Washington has a statute, RCW 19.100.180 which may supersede the franchise ~~documents be amended to be consistent~~agreement in your relationship with ~~Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq.,~~the franchisor including the areas of termination and renewal of ~~the Rules and Regulations promulgated under the Act (collectively~~your franchise. There may also be court decisions which may supersede the ~~“Franchise Act”).~~ franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

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

To the extent required by the Act, transfer fees are ~~hereby amended:~~collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

~~1.~~ Item ~~6, Non-Sufficient Funds~~ 5 and Item 7 (Initial Franchise Fee~~, is~~ -When Due) are amended to state~~:~~

~~Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds~~ that we will defer collection of the Initial Franchise Fee ~~is $30.00 per occurrence.~~

~~2. Item 17 is amended~~until we have satisfied our pre-opening obligations to ~~state:~~

~~(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring~~ you ~~to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~

~~(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days’ notice of termination (with 60 days to cure)~~, and ~~180 days’ notice for non-~~

~~renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Unique Markets franchise.~~

~~(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.~~

~~(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.~~
~~Minn. Stat. § 80C.17 subd. 5 requires that an action be~~ you have commenced ~~pursuant to the Franchise Act within three (3) years after the cause of action accrues.~~doing business.

~~(f) You cannot consent to us obtaining injunctive relief. We may~~ seek ~~injunctive relief. See Minnesota Rules 2860.4400(J)~~

AMENDMENT TO THE
UNIQUE MARKETS FRANCHISES, LLC FRANCHISE AGREEMENT

REQUIRED BY THE STATE OF ~~MINNESOTA~~WASHINGTON

In recognition of the requirements of the ~~Minnesota Statutes~~Washington Franchise Investment Protection Act, Chapter ~~80C,~~19.100 RCW (the "Act"), the parties to the attached Unique ~~Market~~Markets Franchises, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

~~1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 5.2.5 or 16.3.6 of the Franchise Agreement, such inconsistent provisions are hereby deleted.~~
~~To the extent of any inconsistencies,~~
1. Section RCW 19.100.180 of the Act may supersede this Agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in your relationship with us including the area of termination and renewal of your franchise.

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

3. In the event of a conflict of laws, the provisions of the Act shall prevail.

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

5. To the extent required by the Act, transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Section ~~5~~6.1.1 of the Franchise Agreement is hereby amended to state~~:~~ that Franchisor shall defer collection of the Initial Franchise Fee until Franchisor has satisfied its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

> ~~"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days' notice for non-renewal of the Franchise Agreement."~~
> ~~To the extent of any inconsistencies,~~

~~2.~~ 7. Section 16.3.6~~.4~~ of the Franchise Agreement is hereby amended to ~~state that the non-sufficient funds fee is Thirty Dollars ($30.00) per occurrence.~~

~~3. To the extent of any inconsistencies, Sections 17.1 through 17.3 of the Franchise Agreement are hereby amended to state:~~

~~“Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days’ notice of termination (with 60 days to cure)”.~~

~~4. To the extent of any inconsistencies, Article 20, Dispute Resolution, of the Franchise Agreement is hereby amended to state:~~

~~“Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement~~ delete Franchisor’s indemnification obligation upon transfer. Franchisee shall ~~abrogate or reduce (1) any of Franchisee’s rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee’s rights to any procedure, forum, or remedies provided for~~have no obligation to indemnify Franchisor against claims by the ~~laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief.”~~transferee.

8. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the ~~Minnesota Statutes Chapter 80C~~Washington Franchise Investment Law are met independently without reference to this Amendment.

-Remainder of Page Intentionally Blank-

IN WITNESS WHEREOF, the parties hereto have duly executed this ~~Minnesota~~Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

UNIQUE MARKETS FRANCHISES, LLC

By:______________________________________

______________________, Sonja Rasula , CEO

(Print Name, Title)

FRANCHISEE:

____

By:______________________________________

______________________,__________________

(Print Name, Title)

PRINCIPAL:

____

____

(Print Name)

PRINCIPAL:

____

____

(Print Name)

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	Pending
Washington	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT G

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Unique Markets Franchises, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Unique Markets Franchises, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Sonja Rasula 1275 E. 6th Street Suite 206 Los Angeles, CA 90021 213-486-9821	Daniel Bakare 1275 E. 6th Street Suite 206 Los Angeles, CA 90021 213-486-9821	

Issuance Date: April ~~4, 2019~~17, 2020

I received a Disclosure Document dated _______________, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with ~~Exhibits A, B, C, D, E, and F~~Attachments.
EXHIBIT C: Financial Statements of Unique Markets Franchises, LLC
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Outlets as of the date of this Disclosure Document
EXHIBIT F: State Addenda
EXHIBIT G: Receipt

DATED: ______________________________

____
(Signature of recipient)

____
~~(Printed name of recipient)~~
____

____
~~Legal residence address~~
Print Name: ______________________________

Print Address: ______________________________

____

Please return signed receipt to Unique Markets Franchises, LLC,
1275 E. 6th Street, Suite 206

Los Angeles, CA 90021

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EXHIBIT G: Receipt

DATED: ___________________________________

____
(Signature of recipient)

____
~~(Printed name of recipient)~~

____

____
~~Legal residence address~~

Print Name: ________________________________

Print Address: ______________________________

____

KEEP FOR YOUR RECORDS