FRANCHISE DISCLOSURE DOCUMENT

With A Twist®

®

With A Twist Franchising Inc.
(a Colorado corporation)
795 McIntyre Street, Suite 204
Golden, Colorado 80401
720-798-3800
Email: **Tom@getwithatwist.com**
www.withatwistevents.com

With A Twist Franchising Inc. is offering franchises for the operation of businesses which provide mobile bartending services, where franchisees travel to client events to provide, among other things, fully catered bartending services, event staffing, event support and related services to clients under the service mark "With A Twist®."

The total investment necessary to begin operation of one With A Twist® Business with a typical Protected Territory ranges from $54,500 to $136,000. These amounts include a $29,000 initial franchise fee 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 this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact With A Twist Franchising Inc., 795 McIntyre Street, Suite 204, Golden, Colorado 80401, 720-798-3800.

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

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

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

ISSUANCE DATE: July 12, 2024

(CA 7/12/2024)

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20, Exhibit C or Exhibit D.
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 the support to my business?	Item 21 or Exhibit E includes the 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 With A Twist® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a With A Twist® franchisee?	Item 20 or Exhibit C and Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need to Know about Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

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

2. **Short Operating History**. 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.

3. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted.

4. **Financial Condition**. Franchisor is undercapitalized (see Item 21) and may not be able to meet preopening obligations to all franchisees.

5. **Mandatory Minimum Payments**. You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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 this 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 provisions 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. This language has been included in this Disclosure Document as a condition to registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

(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 franchisee 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.

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 the notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise
P.O. Box 30213
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and any Parents, Predecessors and Affiliates.

The name of the franchisor is With A Twist Franchising Inc. For ease of reference, With A Twist Franchising Inc. will be referred to as "**we**," "**us**" or "**WAT**" in this Disclosure Document. We will refer to the person who buys the franchise as "**you**" or "**your**" throughout this Disclosure Document. If the franchisee is a corporation, partnership or limited liability company, certain provisions of the Franchise Agreement will also apply to the owners, as will be noted. Our principal offices are located at 795 McIntyre Street, Suite 204, Golden, Colorado 80401. We presently do business only under our corporate name and the service mark "With A Twist®." We were formed on January 14, 2020 as a Colorado corporation. Our agents for service of process are listed on Exhibit A.

Our parent company, With A Twist, Inc., a Colorado corporation incorporated on January 2, 2019 ("**Parent**"), acquired the rights to the With A Twist® concept and related trademarks and intellectual property from WAT, LLC, a South Dakota limited liability company which was formed on May 31, 2018. A principal of WAT, LLC, originated the With A Twist® concept in connection with the opening of the first With A Twist® business in 2006 in May, Minnesota. As part of our Parent's acquisition of the With A Twist® concept, WAT, LLC retained the right to continue operating its With A Twist® business in the state of Minnesota. WAT, LLC is our predecessor and has a principal office address of 26908 469th Avenue, Sioux Falls, South Dakota 57106. The owners of WAT, LLC do not own any interest in us or our Parent.

Other than With a Twist Inc. and WAT, LLC, we have no parents or predecessors and we do not operate businesses of the type being offered in this Disclosure Document. Our Parent shares the same principal office with us.

The Franchise.

We currently offer qualified individuals and entities the right to enter into a Franchise Agreement ("**Franchise Agreement**"), attached as Exhibit B to this Disclosure Document, to operate businesses ("**With A Twist® Businesses**" or "**Businesses**") that provide mobile bartending services, wherein franchisees travel to client events to provide, among other things, fully catered bartending services, event staffing, event support and such other ancillary services as described in our Operating Manual (described below), which may vary from time to time (these services are collectively referred to as "**Mobile Bartending Services**"). In your performance of the Mobile Bartending Services, you will not be required to buy, sell or transport any alcohol. Instead, you will serve the alcohol which is purchased by your client for the particular client event. Your clients will range from individuals to larger companies who are hosting weddings, company events and parties, and other special events. With A Twist® Businesses operate under our distinctive business format, proprietary and customized technology platform which includes the customer relationship management system ("**WAT Software**"), staff management and other functions, systems, methods, procedures, designs, layouts and specifications ("**Licensed Methods**") and under our service mark "With A Twist®" and related logos, trademarks, service marks and commercial symbols ("**Marks**"). Although we may provide you with supplemental sales leads from time to time, we do not guarantee any level of sales for your With A Twist® Business.

A With A Twist® Business may initially be operated out of your home, a small office or a light industrial space ("**Franchised Location**"). As your With A Twist® Business grows, you may be required, or desire, to acquire and operate out of a small office or light industrial space between approximately 500

and 2,500 square feet, or such other suitable location that we must first approve before you develop the location.

The Franchise Agreement will grant you a protected territory (the "**Protected Territory**"), which will be determined by us in our sole and final judgment. Your Protected Territory will be described in Exhibit I to the Franchise Agreement once the Franchised Location has been approved. There is no minimum area that will comprise your Protected Territory. We may define the Protected Territory using a radius around the Franchised Location, or we may use county lines, zip code boundaries, street boundaries, natural landmarks or similar designations to define your Protected Territory, as we determine appropriate. While you are in compliance with the Franchise Agreement, we will not operate, or permit any other person to operate, a With A Twist® Business in the Protected Territory during the term of the Franchise Agreement. See Item 12.

Regulations.

You must operate in full compliance with all laws that apply to the With A Twist® Business that you operate. The licensing requirements for a With A Twist® Business may vary from state-to-state. If required by state and local laws, you must secure and maintain a liquor license for your Business, and all bartenders in your Business must be licensed or otherwise certified. You are responsible for complying with these applicable federal, state and local laws, rules and regulations, as well as with all federal, state and local laws, and you must ensure that any personnel providing Mobile Bartending Services on behalf of your Business is covered by your insurance policy. To the extent required by the laws of the state in which you operate your Business, you must obtain TIPS Certification (or analogous certification which relates to the responsible service of alcohol) and maintain it for the duration of time during which you operate a Business. You should consult with your attorney, accountant and other advisors, especially regarding state and local laws, rules and regulations that may affect the operation of your With A Twist® Business. You are responsible for complying with employment, worker's compensation, immigration, health, insurance, corporate, taxing and licensing laws and similar laws and regulations.

Market and Competition.

Clients of a With A Twist® Business will range from individuals to companies who are hosting parties, weddings and events and seek assistance coordinating bartending, wait staff, support services and other ancillary services. The market for businesses which provide event services is established and competitive, but can be fragmented. The market is often made up of local catering and event staffing businesses and party planners. You will experience competition from these local businesses and, potentially, larger businesses that provide event staffing and planning services. You may even experience competition from other With A Twist® Businesses outside of your Protected Territory. The sale of Mobile Bartending Services is not seasonal.

Business Experience.

Since our business is limited to operating as a franchisor of businesses providing Mobile Bartending Services, we do not currently operate a Business of the type to be operated by you. Our prior affiliate, Twist Events Inc., previously owned and operated a With A Twist® Business in Colorado for a period of three years. We have offered franchises for With A Twist® Businesses since February 24, 2020. None of our affiliated entities have offered franchises in any line of business and we have not offered franchises in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer, Co-Founder and Director: Thomas Stemple

Mr. Stemple is one of our Co-Founders and has served as our Chief Executive Officer and Director since January 14, 2020 in Golden, Colorado. Mr. Stemple has also been President of our Parent, With A Twist, Inc. since January 2019 in Golden, Colorado. From January 2019 to February 2022, Mr. Stemple was President of Twist Events Inc., in Golden, Colorado, which previously operated a With A Twist® Business in Colorado for three years. Tom Stemple is Anna Stemple's father.

Chief Operations Officer, Co-Founder and Director: Anna Stemple

Ms. Stemple is one of our Co-Founders and has served as our Chief Operations Officer and Director since January 14, 2020 in Golden, Colorado. Ms. Stemple has also been Chief Operations Officer of our Parent, With A Twist, Inc., since January 2019 in Golden, Colorado. From January 2019 to February 2022, Ms. Stemple was Chief Operations Officer of our prior affiliate, Twist Events Inc., in Golden, Colorado, which previously operated a With A Twist® Business in Colorado for three years. Anna Stemple is Tom Stemple's daughter.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee.

You pay us a non-refundable initial franchise fee of $29,000 for the franchise rights to one typical Protected Territory, as designated in the Franchise Agreement, when you sign the Franchise Agreement for your With A Twist® Business. The initial franchise fee is calculated based on a typical Protected Territory containing a population of approximately 1,000,000 people or fewer. We calculate the number of people based on demographic information from an independent company specializing in data analytics and U.S. Census information.

If you desire a larger Protected Territory and meet our qualifications and standards, you can purchase additional Protected Territories by entering into additional Franchise Agreements with us (each Franchise Agreement includes one Protected Territory). Each additional Franchise Agreement (which will

have a separate Protected Territory) will require payment of an initial franchise fee at the following reduced rate:

Franchise Agreement	**Initial Franchise Fee**
Second Franchise Agreement (and all subsequent Franchise Agreements)	$7,900 per 1,000,000 people in your Protected Territory.

We reserve the right to adjust how we calculate the population of a Protected Territory based on other demographic features of a particular area, but the calculation of the number of people in a Protected Territory is not adjusted after you sign the Franchise Agreement. The initial franchise fee is fully earned by us when you sign the Franchise Agreement and we do not refund them under any circumstances.

Supplies and Equipment.

You must purchase a minimum of ten equipment kits (bar riser, coolers, beverage stations, table, linen) from us for use in your With A Twist® Business for $8,000. This purchase must be completed before you open your With A Twist® Business and is non-refundable.

All of the initial fees described in this Item 5 are the same for all With A Twist® Businesses unless otherwise specified.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty[1]	7% of Gross Sales	Payable on the day of the month we periodically designate, based on prior month's Gross Sales (see Remarks)	"Gross Sales" include all revenue from the Business. Gross Sales do not include sales taxes and discounts that have been approved by us in advance. Royalties are paid by electronic funds transfer and we reserve the right to change the manner of payment upon written notice to you.
Interest and Late Charges[1]	$25 late charge, plus the lesser of 1½% per month, or highest rate of interest allowed by law	Late fee automatically assessed; interest on demand	Begins to accrue the day after payments are due.
National Marketing Contribution[1]	We reserve the right to collect up to 1% of Gross Sales We do not currently collect a National Marketing Contribution	Payable on the day of the month we periodically designate, based on prior month's Gross Sales	As of the date of this Disclosure Document, we do not collect a National Marketing Contribution, although we reserve the right to begin collecting a National Marketing Contribution upon 180 days prior written notice to you. If we decide to begin collecting a National Marketing Contribution, your contributions will be used for production of advertising, marketing and related

Type of Fee	Amount	Due Date	Remarks
			items for the Businesses. See Item 11. Our affiliate-owned Businesses will contribute the same as franchisee-owned Businesses. The National Marketing Contribution is paid by electronic funds transfer and we reserve the right to change the manner of payment upon written notice to you.
Local Advertising Allocation[4]	1% of Gross Sales, but not less than $300 per month	As incurred	At the current time, we require you to spend 1% of Gross Sales on local advertising, (but not less than $300 per month). This local advertising allocation is in addition to the National Marketing Contribution, but this is retained by you for advertising your Business. This is the minimum average which must be spent each month, with a report of expenditures submitted to us on or before the 15th day after the end of each calendar quarter.
Online Marketing, Web and Tech Fee[1, 5]	Currently $490 a month, plus $50 for each additional Protected Territory	Monthly on the date we designate; starts the first month after you complete training; additional fees may be charged for extensive maintenance or troubleshooting (as incurred)	The Online Marketing, Web and Tech Fee is subject to annual increase. We develop, maintain and support the With A Twist® website (the "**Website**") through which we advertise the With A Twist® brand and receive Client leads for our franchisees. Our support includes securing search engine optimization and other services dedicated to the promotion of the With A Twist® brand and your Business. You also have the ability to participate in our electronic mail system and other electronic communications. Lastly, we provide you with the WAT Software, which is a customized software for use in your Business. The Online Marketing, Web and Tech Fee covers the provision of the services described above and the monthly license for the WAT Software (including maintenance and improvements to the WAT Software). If your computer system and WAT Software need extensive maintenance or troubleshooting, we reserve the right to charge an additional hourly fee to resolve the computer issues you are experiencing. Online Marketing, Web and Tech Fees are paid by electronic funds transfer and we reserve the right to change the

Type of Fee	Amount	Due Date	Remarks
			manner of payment upon written notice to you. You must sign a separate Franchise Agreement for each Protected Territory.
Costs of Inspection and Audit[1]	Actual costs, plus interest on any past due amounts at lesser of 1½% per month or highest rate of interest allowed by law	15 days after receipt of our notice to you of any underpayment	Payable only if we decide to conduct an audit and: (1) you understated your Gross Sales by more than 3%; (2) the audit resulted from your failure to submit reports to us or our inability to collect Royalties due for either two consecutive weeks or four total weeks during any calendar year; or (3) you do not cooperate in our request for an inspection and audit.
Transfer Fee[1]	$20,000 per Protected Territory	Before effectiveness of transfer	Payable when the franchise agreement, interest in the Business or the franchise is transferred by you. The transferee is not charged an initial franchise fee.
Relocation Costs[1]	Actual costs	Upon demand	If we approve your relocation request, you must reimburse us for the actual costs we incur in connection with the consideration of your relocation request.
Renewal Fee (Successor Franchise Fee)[1]	20% of the then current initial franchise fee	When you sign the then current Franchise Agreement	Payable if you opt for and qualify for a successor franchise at the end of the initial term. We currently waive the payment of an initial franchise fee for those franchisees who renew. We reserve the right to change this policy at any time.
Additional On-Site Assistance Fee[1]	Currently $100 a day, plus travel and living expenses; daily rate will be then current published price	As incurred	Payable only if you request additional on-site assistance or if we require you to receive on-site assistance.
Equipment Purchases[1, 3]	Actual costs depending on equipment and supplier	As incurred	You will need to purchase replacement, additional and ancillary equipment as your Business grows, as the With A Twist® franchise system develops and as we may otherwise require, that meets our specifications. We do not know the cost of future replacement, additional or ancillary equipment at this time. We also reserve the right to require you to purchase a customized bar with related audio and visual capabilities, as well as additional equipment which relates to new services which are rolled out on a systemwide basis, upon 60 days written notice and at prices we set.

Type of Fee	Amount	Due Date	Remarks
Inventory Purchases[1, 3]	$3,000 to $10,000. Varies depending on the size of the Protected Territory. Current published prices	As incurred, on net 15 day terms	We charge you for items you purchase through us or our affiliates. You must maintain an inventory of branded With A Twist® bartending products that meet our specifications.
Alternate Suppliers – Testing and Inspection Costs[1]	You must reimburse us for our actual cost of any testing and the reasonable cost of investigation to determine whether items or suppliers meet our specifications	As incurred	You must notify us and obtain our written approval in advance if you want to purchase or lease items from a supplier we have not designated or approved. You are responsible for our costs (as noted in the Amount column) to determine whether those items or those suppliers meet our specifications.
Payroll Services[4]	Currently an amount equal to 1.5% of your payroll, plus other minor service fees (depending on the state where you operate)	Monthly	You are required to use Panda PEO for payroll services. Panda PEO charges a monthly fee equal to 1.5% of your monthly payroll, plus other minor service fees (depending on the state where you operate). Panda PEO also charges a one time set up fee of $1,000.
Off-the-Shelf Software License Fees, Updates and Maintenance[4]	Actual costs depending on your software license. Nowsta currently charges $3.00 per active employee that uses the Nowsta application; the minimum monthly charge is currently $39 per month	As incurred	These fees and costs for license, upgrades and maintenance are paid to third-party suppliers that we require you to use in your Business and will vary depending on the software license, number of licenses and other factors. You must update all software when new versions are released, especially for antivirus software, and maintain software operations according to our standards and specifications. We reserve the right to require you to use additional software from these and other suppliers upon notice to you. You must use Nowsta staff management software in the operation of your Business. An active user of Nowsta is an employee who accepts one job in any given month.
Computer Data Security Costs[4]	Costs associated with data security monitoring services, hardware and software, excluding cyber liability insurance	As incurred	Your computer system must be PCI compliant and meet our security standards. If you fail to purchase data security monitoring services, hardware or software, we can purchase them on your behalf and you must reimburse us.

Type of Fee	Amount	Due Date	Remarks
Computer Software and Technology, Support and Upgrades[4]	Currently estimated at $100 to $2,000 annually	As incurred	This is the current annual estimate of the cost of ongoing maintenance, repairs, upgrades and updates to your computer system, to the extent not covered by the Online Marketing, Web and Tech Fee.
Costs and Attorneys' Fees[1]	Actual costs depending on nature of your default	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Indemnification Under Franchise Agreement[1]	Actual costs depending on nature of the claim against us	As incurred	You have to reimburse us if we are held liable for claims resulting from your operation of your With A Twist® Business.
Insurance Premiums Reimbursement[4]	Will vary depending on your location and insurer	As incurred	If you do not pay your premiums, we reserve the right, but are not required, to pay them for you and you must reimburse us.
National Convention Fee[1, 2]	Currently $500; living expenses will vary	As incurred	Payable not more than one time each year to attend our national convention or manager retreat.
Training for New Principal Managers and District Managers[1, 2]	Currently, tuition is $1,000; living expenses will vary	As incurred	Payable only if you hire a new Principal Manager or District Manager who is required to be trained at our initial training program. We require all Principal Managers and District Managers to complete training.

1 Fees that we charge and must be paid to us. All fees are non-refundable and all are uniformly imposed on franchisees currently acquiring a franchise. If National Marketing Contributions are collected, affiliate-owned Businesses will contribute to the National Marketing Fund, but do not pay Royalties or other fees under a franchise agreement.

2 Expenses associated with travel, meals and lodging while attending training sessions. All of these expenses are payable to third parties. These expenses will vary according to where you stay, where you dine and how far you have to travel. You will also be responsible for wages of the employees of are attending training sessions.

3 If you are not consistently timely in your payments for inventory, we may require you to pay on a C.O.D. basis.

4 Fees that may be charged by a third party. These types of fees are usually nonrefundable.

5 As of the date of this Disclosure Document, we provide you with pages on the Website and as many electronic mail addresses as needed for your staff. Services covered by this fee may change periodically.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (See Note 1)	$29,000	Lump Sum	At signing of Franchise Agreement	Us
Vehicle (See Note 2)	$0 – $35,000	As incurred	Before Opening	Other Suppliers
Computer Equipment and Software (See Note 3)	$1,500 – $5,000	As incurred	Within 10 days of signing lease for software and hardware; Before opening for office equipment	Us and Other Suppliers
Opening Inventory, Supplies and Equipment (See Note 4)	$8,000 – $20,000	Lump Sum when ordered	Before Opening	Us and Other Suppliers
Security Deposits, Utility Deposits, Liquor and Business Licenses (See Note 5)	$3,000 – $10,000	As incurred	Before Opening	Other Suppliers
Grand Opening Advertising and Follow Up Marketing Campaign (See Note 6)	$2,000	As incurred	Before, at or during the first six months after opening	Other Suppliers
Initial Training: Travel and Living Expenses (See Note 7)	$3,000 – $5,000	As incurred	Before Opening	Other Suppliers
Additional Funds - 3 months (See Note 8)	$8,000 – $20,000	As incurred	As incurred	Other Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (See Note 9)	**$54,500 – $136,000**			

Costs paid to us are not refundable. Whether any costs paid to third parties are refundable will vary based on the practice of such third party and the general practice in the area where your With A Twist® Business is located.

Explanatory Notes

Note 1: Initial Franchise Fee. The initial franchise fee is $29,000 for a typical Protected Territory containing approximately 1,000,000 people or fewer, and the amount in the chart assumes you only acquire one typical Protected Territory. If you are signing a Franchise Agreement for your second (or subsequent)

Protected Territory of 1,000,000 people, your initial franchise fee is $7,900 if you request and are approved for an additional Protected Territory. You must pay the initial franchise fee and sign a Franchise Agreement for each With A Twist® Business (each Business will have a separate Protected Territory).

Note 2: Vehicle. You are required to have a vehicle acceptable to us (i.e., a vehicle that is reasonably reliable) that can be used in the full-time operation of your With A Twist® Business. We do not require you to use a specific vehicle or a vehicle with any special features in your Business operations. We reserve the right to require you to customize your vehicle with With A Twist® branding. The low end of this range assumes you already have a vehicle that meets our specifications. The high end of this range assumes you will need to purchase a reasonably priced vehicle (leasing a vehicle is also acceptable) that meets our specifications. It is possible for you to exceed the range stated, and the range is dependent on the type of vehicle you choose to use and whether you purchase or lease.

Note 3: Computer Equipment and Software. This item includes the estimated costs to purchase a computer system (which includes either desktop or laptop/tablet computers) and license the software (including the $1,000 Panda PEO set up fee and three months of Nowsta charges) required for your Business. None of these payments are refundable once paid. We reserve the right to require you to purchase a new computer system and to purchase proprietary software that we may further develop in the future from us or a designated supplier.

Note 4: Opening Inventory, Supplies and Equipment. You must open with and maintain an adequate inventory of bartending equipment, bar tops, table legs, tables, bartender supply kits, operating supplies, cleaning supplies, office materials and an opening inventory of branded products and related goods, some of which you must purchase from us or our affiliates.

Note 5: Security Deposits, Utility Deposits and Business Licenses. Although you are permitted to initially operate your Business out of your home, you may elect or later be required to obtain office or warehouse space for your Business. Security deposits, if applicable to your Business, range from one to two months' rent; utility deposits range from a nominal amount to approximately $1,000; and business licenses range from approximately $100 to $3,000. Depending on your state, you may be responsible for obtaining and maintaining a liquor license – although obtaining and maintaining a liquor license is not anticipated as you will not be required to buy, sell or transport any alcohol. It is possible for you to exceed the range stated and is dependent on the liquor licensing regulations in your state and the cost to obtain a liquor license.

Note 6: Grand Opening Advertising and Follow Up Marketing Campaign. Your Grand Opening budget is a minimum of $2,000 to be spent in the first four (4) months that your Business is open and operating. Your Grand Opening advertising budget is in addition to any other advertising requirement. In addition to your Grand Opening advertising budget, you must spend a minimum of $3,600 (your Local Advertising Allocation) to advertise and market your With A Twist® Business during its first year of operations. For our Local Advertising Allocation, you are currently required to spend 1% of Gross Sales on advertising for your Business (but not less than $300 per month). These funds shall be spent on direct mail, wedding show directories, lead referral sites and other marketing approved or required by us in connection with the opening of your Business. All of the funds for your grand opening advertising and follow up marketing campaign must be spent in a manner receiving our approval on or before the date that is one year after you open your With A Twist® Business. As of the date of this Disclosure Document, we require you to advertise on "The Knot" website with a featured listing. If you already operate a With A Twist® Business and are opening a second or subsequent Business (or you are signing multiple Franchise Agreements for multiple Protected Territories), your Grand Opening Advertising and Marketing Campaign spending obligation for the second and each subsequent Business is waived.

Note 7: Initial Training: Travel and Living Expenses. Your travel and living expenses when you attend our initial training program will vary depending on the length of your instruction, the distance you must travel and the standard of living you desire while you attend the program. The estimate in the chart covers expenses for two people attending our orientation and initial training session.

Note 8: Additional Funds. This estimates your pre-operational expenses, which we have not listed above, as well as additional funds necessary for the first three months of your business operations. We relied upon our principals' 36 years of experience managing and operating events and catering businesses (including the operation of a With A Twist® Business) in preparing the additional funds amount. The additional funds amount also depends on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our products and services; the prevailing wage rate; competition; and the sales level reached during this initial period. This item includes a variety of expenses and working capital items during your start-up phase such as: debt service; legal costs; accounting fees; insurance premiums; additional advertising and promotional expenses and materials; staff salaries; and other miscellaneous costs. However, this item excludes your salary.

Note 9: Basis For Estimates; Financing. We relied on our principals' 36 years of experience managing and operating events and catering businesses (including the operation of a With A Twist® Business) when preparing these figures. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. None of the fees estimated in the chart above are refundable. Except for the financing of the initial franchise fee (see Item 10), we do not offer financing either directly or indirectly for any part of the initial investment. The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Operations.

Your With A Twist® Business must be established and operated in compliance with your Franchise Agreement. It is mandatory that you comply with the standards and specifications contained in an operations manual we provide to you, in the form of one or more manuals, technical bulletins, electronically transmitted messages, or other written materials sent electronically (referred to collectively in this Disclosure Document as the "**Operations Manual**"), which we may modify. We provide you with our mandatory standards and specifications for the scheduling and pricing strategies, client relations, staff training, marketing and advertising, products and services offered at or through your Business, equipment, supplies, forms, advertising material, and other items used at your Business.

Computer System.

You must purchase a computer system meeting our specifications and use our customized WAT Software and related technical support services (including email addresses) in the operation of your Business. You must pay us an Online Marketing, Web and Tech Fee of $490 per month for the costs of the WAT Software, email and other services you will use in your Business (including a microsite and search engine optimization services). If you own more than one Protected Territory, you are required to pay $50 per month Online Marketing, Web and Tech Fee for each additional Protected Territory. The Online Marketing, Web and Tech Fee is subject to annual increase.

Additionally, we reserve the right to change the computer system specifications on 30 days' notice, requiring you to upgrade or replace the computer system's hardware and software at your expense. We may also change standards for data security and require you to purchase hardware, software or monitoring services that comply with our standards on 30 days' notice. In addition to the WAT Software, each of our franchisees must use operations and accounting software that have capabilities meeting our standards and specifications. We will designate or approve the supplier of the computer system operating software and software maintenance and update services. We are the only approved supplier of the WAT Software used in the operation of your Business and you must obtain such software and the related software support and maintenance from or through us. You must obtain the computer system operating software and maintenance and update services (other than the WAT Software) from our designated or approved supplier. You will either pay us or the designated supplier directly for the computer system software and services. We reserve the right to change the approved supplier for the computer system software and software maintenance and update services. We can require you to purchase from us or from an approved supplier any modifications and upgrades to the computer system software that may be developed in the future. We also reserve the right to develop and license to you other proprietary software from which we could derive revenue, although we have not developed any at this time.

In the fiscal year ended December 31, 2023, we had revenues from franchisee purchases or licenses through us for the WAT Software of $84,600.00, which is approximately 2% of our total revenues of $4,075,250. We will derive revenue in the future from the WAT Software through the payment of monthly license fees and maintenance/support and software improvements fees from franchisees.

Purchases from Designated or Approved Sources.

Nowsta is currently the only approved supplier of staff management software, but we reserve the right to designate other suppliers in the future. You will purchase some equipment and supplies for your Business either from us, directly from our designated suppliers of these items, or through purchasing arrangements we have negotiated. You will purchase the rest of your equipment, computer system, accounting software, credit card processing services and other inventory, supplies, printing services for marketing materials and business signs, and services used, sold or leased through your With A Twist® Business only from suppliers designated or approved by us in advance. You must only purchase, lease, sell or use equipment, computers, inventory, supplies and services meeting our standards and specifications. On or before your commencement of our initial training program, we will make available to you a list of our designated and approved suppliers, the standards and specifications for items to be used, sold or leased by you through your With A Twist® Business, as well as our criteria for approving a supplier. We reserve the right to require you to purchase certain items of specified supplies, inventory or equipment directly from us if we purchase such items in bulk. We reserve the right to require you to participate in and purchase inventory, products, equipment and supplies for your Business from designated suppliers in our "Liquor Partner Program" when and if such program is available in your Protected Territory.

As of the date of this Disclosure Document, we are not affiliated with any designated or approved suppliers. None of our officers own an interest in any approved or designated supplier. In the fiscal year ended December 31, 2023, other than the WAT Software purchases described in the prior section (Computer System), we did not derive any revenue from purchases by franchisees from approved or designated suppliers. We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 40% to 60% of the total cost of establishing a With A Twist® Business and approximately 20% to 45% of the total cost of operating a With A Twist® Business after that time.

You shall not purchase or lease any inventory, equipment, supplies, or services we have not approved, or purchase or lease these items from a supplier we have not designated or approved. You must

notify us and obtain our written approval in advance if you want to purchase or lease items from a supplier we have not designated or approved. The notification should include sufficient specifications, photographs, drawings and other information and samples to determine whether those items or those suppliers meet our specifications. You must reimburse us for the actual cost of any testing and the reasonable cost of investigation to determine whether those items or those suppliers meet our specifications. We will not unreasonably withhold our approval of a supplier of your choosing, if the supplier meets our published standards and specifications. We will notify you in writing within 30 days of receiving your request if we reject a proposed supplier. We reserve the right to change the published standards regarding any approved supplier or any inventory, equipment, supplies, or services used, offered for sale or leased by franchisees upon 30 days written notice to all franchisees and all approved suppliers. We may revoke our approval of a supplier on 30 days prior written notice.

We do not provide material benefits, such as renewal or granting additional franchises to franchisees, based your purchase of particular products or services or on your use of designated or approved sources or suppliers.

Purchasing Arrangements.

We currently have a purchasing arrangement with Panda PEO to provide payroll services. You are required to use Panda PEO for all payroll related services. Other than Nowsta and Panda PEO, we do not currently have any purchasing arrangements with designated vendors to supply any items to With A Twist® Businesses, but reserve the right to negotiate such arrangements.

In the last fiscal year we did not receive any rebates based on purchases by franchised and affiliate-owned Businesses. We have no purchasing or distribution cooperatives, although we may establish pricing programs with certain suppliers based on volumes purchased. You should not rely on the continued availability of any particular pricing or distribution arrangement, nor the availability of any particular product or brand in deciding whether to purchase the franchise. Periodically, we may negotiate other purchase arrangements with suppliers for the benefit of our franchisees. We have the right to receive payments from suppliers on account of their dealings with you and other franchisees. During the last fiscal year, we did not receive any payments from suppliers as a result of franchisee purchases. We may, in our discretion, retain the credit of any volume discounts, rebates or incentives received as a result of your purchases and use them in our sole discretion.

Advertising and Marketing.

All marketing and promotion of your With A Twist® Business must conform to our standards and specifications. You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us. Your Business must participate in promotions we institute periodically for all With A Twist® Businesses, or for all With A Twist® Businesses within a particular area. We retain the right to develop and control all Internet advertising and messages of any kind, including social media, using our Marks. We reserve the right, upon 30 days prior written notice to you, to require that you participate in electronic advertising by creating, customizing or providing access to a linked web page or otherwise. All With A Twist® Businesses, including our Businesses, must participate in this program and in other promotions we may adopt.

We will provide you with, maintain, and support a microsite dedicated to your With A Twist® Business. You will also be required to obtain from or through us, search engine optimization and other services dedicated to the online promotion of the With A Twist® brand and your Business. For these required services, you must pay us an Online Marketing, Web and Tech Fee, which is currently $490 per month and subject to annual increase.

Gift Card and Other Promotional Card Programs.

We reserve the right to require you to participate in, and to purchase and utilize processing equipment and software designated by us to implement a prepaid card, gift card, rewards card, customer loyalty program or similar promotional programs or cards (each, a "**Card Program**"). As of the date of this Disclosure Document, we do not have a Card Program that you must participate in. You must follow the guidelines set forth in the Operations Manual with respect to your obligations and responsibilities under a Card Program, the methods of operation for a Card Program, the transaction information you are required to provide to us and the retention of complete and accurate books and records regarding transactions made pursuant to a Card Program. To comply with applicable state laws and regulations, the funds you receive in connection with the sale, activation and reloading of prepaid cards, gift cards, rewards cards or similar promotional cards, and the subsequent transactions which are made by the holders of such cards will be accounted for separately from other sales made at your Business. We reserve the right to collect the funds you receive in connection with the sale and activation and reloading of prepaid cards, gift cards, rewards cards or similar promotional cards for reconciliation of the cardholder revenue and debited cardholder sales. You are responsible for compliance with all federal and state laws that may regulate a Card Program, including any unclaimed property laws in your state. We may charge you transaction fees to activate, reload, redeem and otherwise administer a Card Program. You may be required to sign an addendum to your Franchise Agreement as a condition of participation in a Card Program. Additionally, we have the right to audit your books, records and processes relating to a Card Program. You may be required to pay the costs of an audit if the audit reflects an underpayment of more than 5% during the period reviewed.

Insurance.

All insurance must meet our standards and specifications and must be written by a responsible carrier or carriers reasonably acceptable to us. You must procure, maintain and provide evidence of (i) comprehensive general liability insurance for the Franchised Location and its operations with a limit of not less than $1,000,000 combined single limit or with such greater limits or such other terms and conditions as may be described in the Operations Manual or required as part of any lease agreement for the Franchised Location; (ii) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of the law; (iii) employment practices liability insurance of not less than $500,000 to $1,000,000 per claim, including third-party liability, wage and hour defense costs and punitive and exemplary damages claims, where insurable; (iv) liquor liability insurance; (v) all-risk personal property insurance in an amount equal to at least 80% of the replacement costs of the contents and tenant improvements located at the With A Twist® Business; (vi) automobile liability and hired/non-owned automobile insurance covering all personnel with authority to operate a motor vehicle in an amount not less than $1,000,000; and (vii) cyber liability insurance with a limit of not less than $1,000,000 per claim. You also must provide us with certificates of insurance evidencing your insurance coverage before the opening of your With A Twist® Business. All insurance policies must name us as an additional insured and give us at least 30 days prior written notice of termination, amendment or cancellation. You must furnish us with copies of all required insurance policies or other evidence of insurance coverage and payment of premiums as we request periodically. We reserve the right to require you to change the type of insurance you are required to maintain and, upon 60 days prior written notice to you, to revise the required coverage limits.

Your obligation to obtain and maintain the foregoing insurance policies in the amounts we specify will not be limited in any way by reason of any insurance maintained by us, nor will your performance of that obligation relieve you of liability under the indemnity provisions in the Franchise Agreement.

If you fail to procure or maintain the insurance that we require, we may (but are not required to) obtain the required insurance and charge the cost of the insurance to you. The costs to us of obtaining the

insurance, together with a fee for our expenses in so acting, will be payable by you immediately upon notice. The foregoing remedies will be in addition to any other remedies we may have at law or in equity.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section In Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 3.1 of Franchise Agreement	Items 8 and 11
b.	Pre-opening purchases/leases	Sections 5.1, 5.2, 5.3, and 5.4 of Franchise Agreement	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 5.1, 5.2, 5.3, 5.4 and 5.5 of Franchise Agreement	Items 7, 8 and 11
d.	Initial and ongoing training	Article 6 of Franchise Agreement	Item 11
e.	Opening	Section 5.6 of Franchise Agreement	Item 11
f.	Fees	Articles 4 and 12, Sections 5.2, 9.1.b, 13.2, 13.6, 17.2.g, 18.3.e, and 23.8 of Franchise Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Articles 8 and 10, and Sections 14.1 and 14.2 of Franchise Agreement	Item 1
h.	Trademarks and proprietary information	Article 15 and Section 21.3 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 3.2, 10.1.e, 11.1 and 14.4 of Franchise Agreement	Items 11 and 16
j.	Warranty and client service requirements	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Section 10.1.g of Franchise Agreement	Item 12
l.	On-going product/service purchases	Sections 14.5, 14.6 and 14.7 of Franchise Agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 10.1.a, 10.1.b, and 10.1.j of Franchise Agreement	Item 11
n.	Insurance	Article 22 of Franchise Agreement	Item 7
o.	Advertising	Article 13 of Franchise Agreement	Items 6, 7 and 11
p.	Indemnification	Section 20.3 of Franchise Agreement	Item 6

	Obligation	Section In Agreement	Disclosure Document Item
q.	Owner's participation/management/ staffing	Sections 10.1.b, 10.1.c, 10.1.d, and 10.1.i of Franchise Agreement	Items 11 and 15
r.	Records/reports	Article 16 of Franchise Agreement	Item 6
s.	Inspections/audits	Sections 14.3, 14.7 and 16.5 of Franchise Agreement	Item 6
t.	Transfer	Article 17 of Franchise Agreement	Item 17
u.	Renewal	Section 18.3, 18.4, and 18.5 of Franchise Agreement	Item 17
v.	Post-termination obligations	Section 19.4 of Franchise Agreement	Item 17
w.	Non-competition covenants	Article 21 of Franchise Agreement	Item 17
x.	Dispute resolution	Sections 23.4 and 23.5 of Franchise Agreement	Item 17
y.	Owners/Shareholders Guaranty	Section 10.1.l of Franchise Agreement; Exhibit II to Franchise Agreement	Item 15

ITEM 10

FINANCING

If you meet our credit standards, we will finance your initial franchise fee over a 2-year period at the short-term Applicable Federal Rate (as published by the Internal Revenue Service) for the month in which you sign your promissory note (as of the Date of this Disclosure Document, the annual short-term Applicable Federal Rate is 5.06%). You must sign our standard promissory note and if you are an entity, the owners of the entity must also sign the promissory note. Our standard form of promissory note is attached as Exhibit F to this Disclosure Document.

You must make two payments under the promissory note. The first payment is due one year after signing the promissory note (you must pay all accrued interest at the first payment date). The second and final payment is due two years after you sign the promissory note (you must pay all interest, principal and other amounts due under the promissory note at the second payment date). The promissory note can be prepaid, in whole or in part, at any time without penalty.

We have the right to call the loan and demand full payment of all amounts under the loan if any of the following events occur and remain uncured after 10 days following written notice from us: (1) if you fail to pay any amount due under the promissory note or any other agreement with us, (2) if you fail to perform any obligation under the promissory note or any other agreement with us, (3) upon your death, dissolution, termination of existence, insolvency or business failure, or (4) upon the attachment, garnishment or appointment of a receiver for any part of your property. If you fail to comply with the terms of the promissory note, the interest rate will increase to a rate which is 15% per annum higher than the interest rate stated in your note or the highest interest rate permitted by applicable law, whichever is less. If you fail to make a payment under the note within 10 days of its due date, a late charge for 5% of the payment amount is assessed. You waive your rights to presentment for payment, protest and demand, notice

of protest, demand and dishonor and notice of non-payment of the promissory note. If we are required to employ legal counsel to collect on the promissory note, you are obligated to pay our reasonable attorneys' fees and costs.

Except as disclosed above in this Item 10, we do not offer any other direct or indirect financing, arrange financing from other sources or receive any direct or indirect payments from placing financing. We do not sell or assign the promissory note to third parties and have no plans to do so. We do not guarantee your note, lease or obligation.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Assistance.

Before you open your With A Twist® Business, we or our designee will:

1. Assist you with a competitive analysis of your Protected Territory and information regarding event centers, caterers, business development targets, technical support, the selection of suppliers of equipment, items and materials used, and products and services offered by your Business. We will make available to you a list of designated and approved suppliers of such equipment, items, materials, products and, if available, a description of any regional or central purchase and supply agreements offered by such approved suppliers for the benefit of our franchisees. (Sections 7.1.b and 7.1.d of Franchise Agreement.)

2. Designate your Protected Territory. (Section 7.1.a of Franchise Agreement.)

3. Before the Business's opening, we furnish an initial training program described below in this Item. (Sections 6.1, 6.2 and 7.1.c of Franchise Agreement.)

4. Give you access to an electronic copy of our confidential and proprietary Operations Manual, covering the specifications, standards and operating procedures that we require in a With A Twist® Business and information about your obligations. (Sections 7.1.e and 8.1 of Franchise Agreement.)

5. Provide assistance in the grand opening and grand opening marketing of your With A Twist® Business, unless grand opening marketing assistance is not required because you are opening a second or subsequent With A Twist® Business (in which case, we are not obligated to provide grand opening assistance). (Sections 7.1.f and 13.4 of Franchise Agreement.)

Continuing Assistance.

During the operation of your With A Twist® Business, we or our designee will:

1. Provide you access to advertising and promotional materials that we may, but are not required to, develop. We may, at our option, pass the cost of the advertising and promotional materials that you use on to you or charge the National Marketing Fund (if we begin collecting National Marketing Contributions). (Section 9.1.a of Franchise Agreement.)

2. Operate and maintain the Website through which we advertise the With A Twist® brand and receive Client leads. We distribute Client leads to the franchisee in the Protected Territory requested by the Client. We do not guarantee the distribution of any number of leads. (Section 9.1.b of Franchise Agreement.)

3. Upon your reasonable request, provide consultation by telephone, facsimile or electronic mail regarding the continued operation and management of your With A Twist® Business and information regarding bartending services, client relations, product purchase, supply and sale and similar advice. (Section 9.1.c of Franchise Agreement.)

4. Provide additional seminars or programs, at a frequency that we will determine, on new methods, marketing techniques, equipment, services and products. This may include a mandatory annual meeting or convention that all franchisees must attend. (Sections 6.4 and 9.1.d of Franchise Agreement.)

5. Provide you with updates of information and programs regarding the Business, the With A Twist® concept and the Licensed Methods, at a frequency which we shall determine, including, without limitation, information about additions and improvements to services, trends and products which may be developed and made available for sale by franchisees. (Section 9.1.e of Franchise Agreement.)

6. Train replacement or additional Principal Managers and District Managers (if applicable) in the initial training program during the term of the Franchise Agreement. We reserve the right to charge a tuition or fee, commensurate with our then current published prices for such training, payable in advance. You are responsible for all wages, traveling and living expenses incurred by your personnel during training programs. The availability of the training programs is subject to space considerations and prior commitments to new franchisees. (Sections 6.2, 6.3 and 9.1.f of Franchise Agreement.)

7. Provide you with, or otherwise make available, any updates, changes or modifications to the Operations Manual and or other manuals and support materials that are related to the operation of your Business. You are responsible for making sure that you continually update your manual(s) once we have made such updates or revisions available to you. (Sections 8.3 and 9.1.g of Franchise Agreement.)

8. Conduct inspections of your Business, its operations, the services rendered by the Business and your equipment, as we deem advisable in our sole discretion, to evaluate your compliance with our brand standards. (Sections 9.1.h, 14.3 and 14.7 of Franchise Agreement.)

9. We reserve the right to begin administering a National Marketing Fund for the benefit of all With A Twist® Businesses. We also review for approval any local or regional advertising proposed by you. (Sections 13.1, 13.2, 13.3, and 13.5 of Franchise Agreement.)

10. Review proposed transferees of your franchised business for approval. (Section 17.3 of Franchise Agreement.)

Advertising and Promotion.

Grand Opening Campaign and Follow-Up Local Advertising. You are required to launch a grand opening advertising and follow up marketing campaign which begins on or before the time your With A Twist® Business opens for business. Your grand opening and follow up marketing campaign must continue for at least one year after you open for business. The grand opening advertising and follow up marketing campaign will cost $5,600 over your first year, paid to us and/or third-party vendors, and will typically consist of promotions and advertising mutually planned by you and us. This $5,600 amount is comprised of the $2,000 you must spend on your Grand Opening over the first four months that your

Business is open and operating, plus the minimum of $3,600 that you must spend in your first year of operations to advertise and market your With A Twist® Business.

If you are opening your second or subsequent With A Twist® Business, the $2,000 that must be spent over the first four months on grand opening advertising is waived, however, you remain obligated to satisfy your other advertising obligations as described in this Item.

Local Advertising Allocation. Beginning on the date that is either one year after the date you open for business (if you are opening your first With A Twist® Business) or on the date you open your second or subsequent With A Twist® Business, you must spend for each Protected Territory a minimum average per calendar quarter of 1% of your total Gross Sales (but not less than $300 per month) on local advertising that has been pre-approved by us. An accounting of your local advertising expenditures is submitted to us within 15 days after the end of each calendar quarter, showing how you spent the applicable percentage of your Gross Sales, averaged over that calendar quarter, for local advertising expenditures. We reserve the right to purchase local advertising on your behalf and require you to reimburse us if you fail to spend the minimum amount required.

National Marketing Contribution. We reserve the right to require that you make contributions to us ("**National Marketing Contribution**") for a national marketing fund of up to 1% of your Gross Sales. We do not currently collect National Marketing Contributions, but reserve the right to do so upon 180 days' notice to you. The National Marketing Contribution would be due to us along with your Royalty payment, payable monthly on the day of the month we periodically designate, based on the amount of Gross Sales in the previous month. We would deposit the National Marketing Contributions collected from all With A Twist® Businesses in a bank account that is separate from our operating account ("**National Marketing Fund**"). All affiliate-owned With A Twist® Businesses would pay into the National Marketing Fund on an equal percentage basis with all franchised With A Twist® Businesses. If a National Marketing Fund is established, we will send you an annual, unaudited financial statement for the National Marketing Fund (upon our receipt of written request from you) that indicates how the National Marketing Fund was spent during the previous calendar year. Because we will not have the National Marketing Fund audited, audited financial statements would not be available to franchisees.

If established, the National Marketing Fund will be administered by us and in our sole discretion. The National Marketing Fund proceeds may be used for the implementation and administration of the National Marketing Fund, including the creation, production and placement of commercial advertising, agency costs and commissions, creation and production of video, audio, and written advertisements, including direct mail, radio and other media advertising and employing advertising agencies and in-house staff assistance, supporting public relations, market research, brand recognition, point-of-purchase materials, third-party shopping services, gift card programs, customer loyalty programs, training programs, Internet advertising, marketing through social media, Website design and maintenance, electronic mail communication, and other advertising and marketing activities. We would not spend any of the National Marketing Fund on soliciting franchisees.

If the National Marketing Fund is established, we may reimburse ourselves from the National Marketing Fund for administrative costs, salaries and overhead expenses related to the implementation and administration of the National Marketing Fund and its marketing programs, including conducting market research, preparing material and collecting and accounting for National Marketing Contributions. In any fiscal year we would have the ability to spend an amount greater or less than the aggregate contribution of all With A Twist® Businesses to the National Marketing Fund in that year. The National Marketing Fund may borrow from us or other lenders to cover deficits or cause the National Marketing Fund to invest any surplus for future use. Any amounts remaining in the National Marketing Fund at the end of each year would accrue and we would apply them toward the next year's expenses. We do not guarantee that any

advertising expenditures from the National Marketing Fund will benefit you or any other franchisee directly or on a pro rata basis. The National Marketing Fund will not be a trust fund, and we would not owe a fiduciary duty to you with respect to the maintenance, direction or administration of the National Marketing Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to any advertising account or for maintaining, directing or administering any advertising account. If established, we would reserve the right to later terminate the National Marketing Fund upon 30 days prior written notice to all franchisees and any remaining monies would be distributed pro rata based on all With A Twist® Businesses' contributions within the preceding 12 months.

We may use outside advertising agencies and personnel and in-house personnel to create local and regional advertising, including ad slicks, radio spots, direct mail, billboards and other marketing pieces and programs. We may, in our sole discretion, elicit input on advertising from all or a group of franchisees. You must purchase local advertising separately through local marketing and media sources within a geographical area. Local advertising is primarily your responsibility.

You may create your own advertising and promotion materials; however, all advertising and promotion by you must be in such media and of such type and format as we may approve, must be conducted in a dignified manner and must conform to the standards and requirements as we may specify. You may not use any advertising or promotional plans, discounts, coupons, or other materials unless and until you have received written approval from us.

Since we do not have a National Marketing Fund as of the date of this Disclosure Document, we do not have National Marketing Fund expenditures to report for the prior fiscal year.

We have no obligation to spend any amount on advertising within the Protected Territory of any franchisee. As of the date of this Disclosure Document, there is no advertising council composed of franchisees that advises us on advertising policies, and franchisees are not required to participate in any advertising cooperatives.

Operations Manual.

Exhibit G to this Disclosure Document is the table of contents of our Operations Manual. As of the date of this Disclosure Document, the total number of pages in the Operations Manual is 164.

Computer Systems.

As described in Item 8 above, you must utilize a computer system with capabilities consistent with our standards and specifications and our WAT Software. The computer system and WAT Software allows you to manage clients, reservations, record sales, process credit cards, and provides you with information necessary to prepare financial statements in accordance with our standards and specifications. The WAT Software is available only through us or our affiliates. The WAT Software has been customized for the business methods we have established for With A Twist® Businesses, and we currently maintain the WAT Software. You must use our designated credit card processing service. Additionally, you must take security measures that comply with PCI Security Standards and meet our standards to ensure the security of your network. You must purchase security monitoring services and equipment, including, but not limited to, firewall protection, and security breach insurance, from a vendor we approve. You must purchase a backup software and service. We may purchase these services or equipment for you should you not comply, and you must reimburse us. We have independent access to information through your computer system concerning sales and clients of your With A Twist® Business, and we control the type of information that is provided through the computer system. We require full remote access to your computer system. We require you to purchase and install remote support and access software that we specify and provide us with

the access information we require. If we develop additional proprietary software specifically for the Businesses, we reserve the right to require that you purchase our proprietary software package. We also reserve the right to require you to purchase and use additional hardware and software for an intranet system among all With A Twist® Businesses, on 30 days prior written notice. The computer system installation, configuration and integration must be performed in accordance with our standards and specifications. Maintenance and upgrade services are provided by a designated supplier and we bill you or require you to pay the supplier directly.

The total cost of the computer hardware and software you will need to operate your Business is between $1,500 and $5,000. Currently, there are no required computer maintenance costs or fees.

We review and consider for approval any compatible equivalent hardware. We reserve the right to receive information contained in the computer databases through on-line communication contact with your computer system. We have no contractual limit on our right to receive information through your computer system. You must have a high speed Internet connection meeting our specifications to facilitate communication between you and us and among our franchisees.

We may require you to purchase, install and implement updates, upgrades, replacements and revisions to the computer system hardware and software or replace all hardware and software used in the computer system on 30 days' notice. We may, but are not obligated to, provide the required maintenance, repairs, upgrades and updates of the computer system. If we do provide those services, the fees associated with such upgrades, updates, maintenance and repairs may be payable to us. No contractual limit exists on the frequency or cost of these obligations. We estimate the cost of ongoing maintenance, repairs, upgrades and updates of the computer system to be between $100 and $2,000 per year.

Schedule For Opening.

We estimate that the typical length of time between the date you sign the Franchise Agreement and the date your With A Twist® Business opens will be approximately 90 to 120 days. You must open your With A Twist® Business within four months of signing the Franchise Agreement. The factors that may affect this time period are the development of an advertising and business development plan, recruitment of staff for your Business, the delivery schedule for equipment, product and supplies, and completing your training.

Training Programs.

Before opening your Business, you, your Principal Manager and District Manager (if applicable) must attend and complete, to our satisfaction, the initial training program which includes, among other items, our online "Learning Management Training." We do not charge you for training two individuals, and you may request permission to train additional managers in our initial training program if there is space for additional people, after giving first priority to new franchisees. As of the date of this Disclosure Document, our initial training program is conducted at our headquarters in Colorado, but we reserve the right to conduct training virtually. For training that requires travel, you will pay the travel, living expenses and wages for you and your staff who attend the training session. The training program may include reading materials, self-study materials, verbal instruction, computerized slides, videotaped, video conference or written materials, all of which will be completed in your home office or virtually in the market where your With A Twist® Business will be located. Overall, our initial training program consists of approximately 50 hours of instruction and training which will take place at our headquarters and, if we elect, in your home office and in the market where your With A Twist® Business will be located. You will attend initial training at our first available training class after you sign your Franchise Agreement. A significant portion of your

initial training may be completed at your convenience between the time you sign the Franchise Agreement and the opening of your Business.

During the first 30 days that your With A Twist® Business is open and operating, we will provide services at no additional charge as further training for you, your Principal Manager and your District Manager (if applicable) on the operation of your Business. You, your Principal Manager or your District Manager (if applicable) must actively participate in the training and assistance we provide.

Once a year, you, your Principal Manager or your District Manager (if applicable) may be required to attend a national convention or a manager retreat which may include mandatory training sessions. You are responsible for all expenses for you, your Principal Manager and your District Manager (and any other designated staff and employees) to attend a national convention or manager retreat, including payment of a National Convention Fee (current fee is $500) to us when you attend our national convention. We may also require you, your Principal Manager, your District Manager and other designated staff and employees to attend, at your expense, local or regional seminars or meetings in person up to two times each calendar year. If you hire a new Principal Manager or District Manager after your Business opens, that person must attend our initial training program and we will charge tuition for the training (current tuition is $1,000). You will also pay wages, travel and living expenses for your Principal Manager, District Manager and all other managers while they attend training and retreats.

All bartenders and other personnel working at your Business must meet all applicable training and licensing requirements.

Our initial training program is supervised by Anna Stemple. Ms. Stemple has been our Chief Operations Officer since 2020 and has 21 years of experience in event management. Ms. Stemple and Mr. Stemple coordinate and supervise With A Twist®'s various employees and third-party service providers who also provide training. These employees and service providers are experienced in the matters about which they provide instruction. We conduct training on an as-needed basis.

We currently provide the following initial training to franchisees:

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION*
PRE-WORK	18	0	Headquarters in Golden, Colorado
ORIENTATION/HISTORY	4	0	Headquarters in Golden, Colorado
CLIENT EXPERIENCE	8	0	Headquarters in Golden, Colorado
MARKETING/RETAIL	4	0	Headquarters in Golden, Colorado
RECRUITING/STAFFING	4	0	Headquarters in Golden, Colorado
FINANCE	2	0	Headquarters in Golden, Colorado
LEGAL/LICENSES	2	0	Headquarters in Golden, Colorado
FRANCHISEE OBLIGATIONS	2	0	Headquarters in Golden, Colorado

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION*
BUSINESS OPERATIONS	4	0	Headquarters in Golden, Colorado
BUSINESS PRE-OPENING	2	0	Headquarters in Golden, Colorado
TOTAL	**50**	**0**	

* We reserve the right to provide portions of the Initial Training Program virtually and in your market area.

ITEM 12

TERRITORY

You may operate your Business and use the Marks and the Licensed Methods only at the Franchised Location and, except as described below, within the Protected Territory that has been designated by us. You may not relocate your Franchised Location without our prior written approval, which will not be unreasonably withheld. Our consent to relocate may be conditioned upon, among other things: (a) your payment of the actual costs we incur in connection with consideration of the relocation request; (b) your payment of an agreed minimum royalty during the period when your franchised business is not in operation; (c) availability of the proposed Protected Territory, rights of other franchisees in the market and other demographic considerations as we may determine; and (d) your relocation of the franchised business within 6 months after we approve your relocation request. Your Franchised Location must be located within the Protected Territory identified in the Franchise Agreement, which is typically identified by zip codes or county lines and contains a population of approximately 1,000,000 people or fewer. There is no minimum area that will comprise your Protected Territory. If you desire a larger Protected Territory and meet our qualifications and requirements, you can enter into additional Franchise Agreements with us to purchase additional Protected Territories at a discounted initial franchise fee for each additional Protected Territory you purchase. The purchase of additional Protected Territories, however, is conditioned on availability, rights of other franchisees in the market and other demographic considerations as we may determine. We determine the number of individuals in a Protected Territory by collecting demographic data from third-party and governmental sources. Except for your right of first refusal to provide Mobile Bartending Services referred or assigned to us by a National Account business located in your Protected Territory, as described below, you have no option, right of first refusal or similar contractual right to acquire additional With A Twist® franchises.

We will not establish and operate, or permit anyone else to establish and operate (except as described below), a With A Twist® Businesses in your Protected Territory, subject to our reservation of rights described below. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we control.

You may only contact referral sources and advertise your With A Twist® Business inside your Protected Territory, subject to our standards. You are prohibited from proactively generating leads and marketing outside your Protected Territory. More specifically, you are not allowed to contact or market to event centers, venues or other third parties that are located outside your Protected Territory. Existing franchisees may have clients in your Protected Territory when you sign the Franchise Agreement, but they are restricted from taking any new clients who are located in your Protected Territory. These restrictions apply to all With A Twist® franchisees.

In certain situations, Franchisees may be allowed to provide services to clients who are located outside their Protected Territories, subject to our standards. Currently, a franchisee may provide services outside their Protected Territory in the following situations: (1) the client is located within the same Protected Territory as the franchisee and requests services at a location outside the franchisee's Protected Territory, and (2) the client, who is located outside the franchisee's Protected Territory, contacts the franchisee without being solicited by the franchisee and the franchisee is otherwise in compliance with our advertising and marketing standards.

We may establish written policies that we may provide to franchisees from time to time, which describe, among other things, customary exceptions to the restriction against provision of client services outside of a Franchisee's Protected Territory, more detailed guidelines for referral of clients to other With A Twist® franchisees, additional guidelines relating to the advertising and promotion of your With A Twist® Business, and other territory issues. Except as stated above, you do not have the right to market or advertise for clients using other channels of distribution, such as Internet catalog sales, telemarketing, or other direct marketing. Further, you will only have the ability to provide services to a client residing in the Protected Territory of another franchisee under very limited circumstances and with our prior written approval.

The continuation of your rights to your Protected Territory and your right to continue operating a Business under the Franchise Agreement depends on achievement of the following sales levels ("**Minimum Sales Requirements**"): (1) at the end of the 12th month after your Business opens, you must attain and maintain a minimum of $10,000 per month in Gross Sales; (2) at the end of the 24th month, you must attain and maintain a minimum of $20,000 per month in Gross Sales; (3) at the end of the 36th month, you must attain and maintain a minimum of $30,000 per month in Gross Sales. Thereafter, you must maintain $30,000 in Gross Sales per month for the remainder of the term of your Franchise Agreement. If you fail to meet Minimum Sales Requirements, we may reduce the size of the Protected Territory, license someone else to establish a With A Twist® Business in the Protected Territory, require you to implement a revenue improvement program for a period of 12 months, which includes engaging in specified marketing and other activities to improve your Business, or, following a cure period, terminate your Franchise Agreement. For purposes of clarification, the Minimum Sales Requirements apply separately to each With A Twist® Business that you operate.

Except for our reservation of rights described below and as otherwise provided above in this Item, we may not establish, or permit any other person or entity to establish, With A Twist® Businesses using the Marks and Licensed Methods within your Protected Territory for so long as the Franchise Agreement is in effect.

We retain the rights, without compensation to you, among others:

(1) to solicit clients, advertise and promote sales anywhere, whether through the Website (or similar centralized client intake system), through the operation of other similar or related businesses or other methods;

(2) to provide or allow other franchisees to provide Mobile Bartending Services and other services that we authorize to clients you are unable or unwilling to serve;

(3) to use and to license others to use, the Marks and Licensed Methods in connection with the operation of a With A Twist® Business, at any location other than within your Protected Territory;

(4) to use the Marks to identify any type of products and services, promotional and marketing efforts or related items, and to identify products and services distributed or otherwise made available

through alternative channels of distribution (other than With A Twist® Businesses), at any location, including, but not limited to, at temporary events and venues, or by wholesale distribution, Internet marketing or distribution, by mail order, catalog sales, social media marketing, telemarketing or other direct marketing, or retail store product display;

(5) to use and license the use of different proprietary marks or methods in connection with the sale of products and services similar to those which you sell, whether in alternative channels of distribution, including but not limited to, the Internet, or through businesses which are similar to, or different from With A Twist® Businesses, at any location, and on any terms and conditions as we determine;

(6) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by your Business, and franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, and even if they compete with your Business;

(7) be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services similar to those provided by your Business, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of products or services which are the same as or similar to those offered by your Business and even if it competes with your Business inside the Protected Territory;

(8) to establish contracts with National Accounts, defined below, for the provision of Mobile Bartending Services and other services that we authorize in the Protected Territory;

(9) do such other things, provide such other services, and transact such other business that the Franchise Agreement does not expressly grant to or confer upon you; and

(10) do such things, provide such other services, and transact such business not expressly prohibited in the Franchise Agreement.

We have no present plans to establish other related franchises or company-owned businesses selling similar products or services under a different name or trademark, although, as just stated, we reserve the right to do so. Other concepts owned now or in the future by us or our affiliates using other trademarks may be established in close proximity to your Business.

National Accounts.

We reserve the right under the Franchise Agreement to enter into contracts or strategic alliances with "National Accounts," to provide for or encourage the provision of services by multiple With A Twist® Businesses. A "**National Account**" is a business or organization that: (1) conducts operations, directly or through agents, affiliates, independent contractors, franchisees or licensees, in two or more territories in which we or our franchisees are operating, and (2) has a written contract or strategic alliance with us for the purpose of providing services to the National Account or referrals of clients of the National Account in need of Mobile Bartending Services within such territories. We will contact you and provide you with a right of first refusal to provide Mobile Bartending Services referred or assigned to us by the National Account to the National Account business located in your Protected Territory or the National Account client who resides in your Protected Territory, unless you are not eligible to provide the services. To be eligible, you must be able to provide the Mobile Bartending Services based on rules (e.g., qualifications, conditions for availability, resources, price and billing terms, insurance requirements or similar), guidelines or other terms and conditions agreed to between us and the National Account or as otherwise directed by the National Account.

If you cannot or do not elect to provide Mobile Bartending Services to clients in your Protected Territory based on our National Account agreement or program, or violate the agreement with or standards or rules of the National Account, then you will not provide Mobile Bartending Services to the National Account or National Account clients during the term of the National Account agreement or program and will not be entitled to receive any portion of the resulting compensation. If you perform Mobile Bartending Services for a National Account and we receive payment from the National Account, we reserve the right to deduct Royalties or other fee payments (to the extent due) from your portion of the National Account payments before remitting the remaining compensation to you. We cannot guarantee that we will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if we do, that you will receive any National Account referrals or assignments in your Protected Territory.

ITEM 13

TRADEMARKS

We license to you the right to use the Marks, including the service mark "With A Twist®" and other trademarks, service marks and commercial symbols that we may authorize. Our Parent has either registered or applied to be registered the following principal trademarks on the Principal Register of the United States Patent and Trademark Office ("**USPTO**"):

Mark	Registration Number	Date of Registration	Class
With A Twist®	4,127,653	April 17, 2012	43
®	6,146,984	September 8, 2020	43

All required affidavits of use and renewals of registration have been filed.

The Marks were licensed to us by our Parent on January 14, 2020. Through a license with our Parent, we have full right and authority to use and license to franchisees the use of the Marks for 10-year terms that automatically renew. This license can be terminated only on mutual agreement of the parties or following a notice of default and a cure period. In the event of a termination, our rights and obligations under all Franchise Agreements are deemed to be assigned to our Parent to provide continuity to franchisees.

The Marks are used to identify a With A Twist® Business and any branded services or products that may be developed by us or companies affiliated with us. We require that you identify yourself (and your entity, if applicable) as an independent owner of a Business, however, in the manner as we may designate. You may not use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you), or in any modified form, nor may you use any Mark to identify unauthorized services or products or in any other manner not expressly authorized in writing by us. Except as permitted in the Operations Manual, you may not use any of the Marks as part of an electronic mail address or on any sites on the Internet and you may not use or register any of the Marks as part of a domain name on the Internet. You must modify or discontinue your use of the Marks if we require modification or discontinuance, at your own expense.

There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks.

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

We will protect you against claims of infringement or unfair competition, provided that you use the Marks in compliance with the terms of the Franchise Agreement. We pay all costs, including attorneys' fees and court costs, associated with any litigation we commence or defend on your behalf to protect the Marks and your right to use them. You must cooperate with us in any litigation. Any apparent infringement of or challenge to your use of any Mark should be brought to our attention immediately and you may not communicate with any person other than us or our counsel regarding any such matter. You may not settle any claim without our written consent. We have sole discretion to take any appropriate action. We have the right to control exclusively any litigation, United States Patent and Trademark Office proceeding or any other administrative proceeding arising out of any infringement, challenge or claim relating to any Mark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, patent applications or copyright materials which are material to the franchise. We consider our Operations Manual and related materials, our proprietary technology platform, the technology and processes which are part of our Website, cost equations, pricing models, business development and sales strategies, training materials, and our Licensed Methods as our proprietary and confidential property. They may be used by you only as described in the Franchise Agreement. We require that you maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of these secrets and information. Although we have not obtained a copyright registration, we own the copyright in our Operations Manual, videos, training materials, advertising materials and other works.

You must tell us immediately in writing if you learn about an infringement or challenge to our use of our copyrights. We have the right, in our sole discretion, to determine whether any action will be taken on account of any possible infringement or illegal use. We may commence or prosecute such action in the Franchisor's own name or the name of With A Twist, Inc., and may join you as a party to the action. We shall bear the reasonable cost of any such action, including attorneys' fees. You must fully cooperate with us in any such litigation. Although we are not obligated to protect the copyrights or defend your use of the copyrighted items, we will reimburse you for damages and reasonable costs incurred in litigation about them, if your use of the copyrighted work was in compliance with the terms of the Franchise Agreement. At our option, we shall be entitled to control the defense of any action or proceeding involving any of these claims. You must modify or discontinue your use of the copyrights if we require modification or discontinuance, at your expense.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not required to participate personally in the direct operation of your With A Twist® Business or to maintain an active role in overseeing day-to-day operations, although we recommend you do so. We reserve the right to require you to personally participate in the direct operations of your Business and to maintain an active role in day-to-day operations if you are failing to meet your Minimum Sales Requirements. You will need to designate a manager ("**Principal Manager**") to be responsible for the direct supervision of the Business at all times during its hours of operation. If you are a corporation, limited liability company or partnership, we do not require that your Principal Manager own an equity interest in

the entity. You and, if applicable, the Principal Manager, must successfully complete our mandatory initial training program for a With A Twist® Business. You will remain responsible for ensuring compliance with all terms and conditions of the Franchise Agreement even if you are not the Principal Manager of the Business. You will provide us with a list of all management personnel and keep the list updated to reflect changes in personnel. You, your Principal Manager and any other management personnel must enter into a nondisclosure and noncompetition agreement with us (Exhibit H to this Disclosure Document), which restricts individuals and members of their immediate families, including spouses, children and any other relative living with them. We require you to conduct background checks on your staff in accordance with our specifications before hiring them and that all staff hired by you, including your Principal Manager, be TIPS Certified (or have an analogous certification). We make no other recommendations and have no other requirements regarding employment or other written agreements between you and your staff.

If you enter into more than six (6) Franchise Agreements with us to operate multiple With A Twist® Businesses, you must hire a "**District Manager**" to supervise your Principal Managers and to oversee the operations of all of your With A Twist® Businesses. Your District Manager must attend and successfully complete our mandatory initial training program for a With A Twist® Business and have sufficient experience to manage teams and the operations of multiple With A Twist® Businesses. The District Manager is otherwise subject to the same requirements and obligated to perform the same duties as a Principal Manager.

All calls to your Business must be answered by all parties with the words "With A Twist," unless otherwise instructed by us. You must have a person from your Business or a knowledgeable answering service answering telephone calls from your clients and prospective clients seven days a week. You must respond to calls and online inquiries to your business within a reasonable time period after the call or inquiry is received by you or your answering service. Individuals returning telephone messages and responding to online inquiries must inform the client or perspective client that they are calling on behalf of "With A Twist," unless otherwise instructed by us. We reserve the right to require you to use an approved or designated answering service on 30 days' notice, at your expense.

Within 180 days after beginning operation of your Business, and at all times after that, you must personally conduct marketing and/or sales or you must hire a person or persons dedicated to marketing and/or sales activities in your Protected Territory. We reserve the right to require you to hire a marketing and salesperson for a required number of hours each week upon notice to you. Additionally, if you and your affiliates have multiple Protected Territories and operate more than one With A Twist® Business, within one year of commencing business you must have at least one person dedicated to operations and sales for your Business within your Protected Territory.

Each of your officers, directors, shareholders, partners, members or owners, if an entity, may be required to sign an agreement (Exhibit II to Franchise Agreement) personally guaranteeing and agreeing to perform all obligations of the franchisee under the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only those products and services approved by us and may not use the With A Twist® Business or the Franchised Location for any purposes other than the operation of a With A Twist® Business, unless you obtain our prior written approval (which we may withhold in our sole discretion). You are obligated to use only the equipment, products, services, and supplies that comply with our standards and specifications and which are acquired from approved suppliers, as described in Item 8 of this Disclosure Document. The services to be offered by you through your With A Twist® Business are listed in our

Operations Manual and will change over time. We have the right to test and supplement new types of products and services and to change the types of authorized products and services periodically; and there are no limits on our right to do so. You must comply with all licensing, bonding or other regulations required by any applicable state or local authorities regarding any of the services you provide. You are restricted from serving clients outside of your Protected Territory who reside in another franchisee's territory, without prior permission. We reserve the right to sell directly or indirectly, branded products and merchandise on the Internet. You must sell all of the products and services approved by us and comply with our standards and specifications.

We will not restrict you from soliciting clients, except to the extent your right to service certain clients are affected by the National Account program. If the National Account client refuses to utilize your services, you are not qualified or cannot provide services to the National Account client, or you are prohibited from providing services to the National Account client, either we, another With A Twist® franchisee or someone we designate will service the National Account client. The maximum pricing and terms of service for National Account clients (including any payment made to us) will be set by us and will change at our discretion. You must follow our rules for handling National Account clients. We reserve the right to bill National Account clients and deduct Royalties and other fee payments (to the extent due) from National Account payments for the services you perform.

Other than the above, there are no restrictions on goods or services offered by you or on the clients to whom you may sell.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the agreement attached to this Disclosure Document.

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 18.1	10 years
b.	Renewal or extension of the term	Sections 18.3 and 18.4	Term in then current Franchise Agreement.
c.	Requirements for franchisee to renew or extend	Section 18.3	Notice, compliance with Franchise Agreement, pay renewal fee, sign new agreement and release, upgrade Business and services. You may be asked to sign a contract with materially different terms and conditions than your original contract if you choose to renew.
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Sections 19.1 and 19.2	We can terminate only if you commit any one of several listed violations.
g.	"Cause" defined – curable defaults	Sections 19.1 and 19.2	30 days for operational defaults, 10 days for monetary defaults or a misuse of Marks.

Provision		Section in Franchise Agreement	Summary
h.	"Cause" defined – non-curable defaults	Section 19.1	Unauthorized disclosure, conviction of a crime, abandonment, unapproved transfers, bankruptcy, assignment for benefit of creditors, unsatisfied judgments, levy, foreclosure, repeated violations.
i.	Franchisee's obligations on termination/ nonrenewal	Section 19.4	Pay outstanding amounts, de-identification of the Business, return of confidential information, covenant not to compete (see also r. below), provide list of staff and clients.
j.	Assignment of contract by franchisor	Section 17.6	No restriction on our right to assign.
k.	"Transfer" by franchisee – definition	Section 17.1	Includes transfer of Franchise Agreement or of the Business or its assets or any change in ownership of franchisee entity.
l.	Franchisor's approval of transfer by franchisee	Section 17.3	We have the right to approve all transfers, we may not unreasonably withhold our consent.
m.	Conditions for franchisor approval of transfer	Section 17.2	Transferee qualifies, all amounts due are paid in full, transferee completes training, transfer fee paid, then current contract signed, franchisee signs general release and noncompetition covenant.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 17.4	We may match any offer.
o.	Franchisor's option to purchase franchisee's business	Section 19.3	We may buy your With A Twist® Business or a portion of the assets of the With A Twist® Business upon termination or non-renewal of your Franchise Agreement.
p.	Death or disability of franchisee	Section 17.7	Franchise must be assigned to approved assignee within 180 days.
q.	Non-competition covenants during the term of the franchise	Section 21.1	No involvement in competing business and no diversion.
r.	Non-competition covenants after the franchise is terminated or expires	Section 21.2	No competing business for 2 years within 25 miles of your With A Twist® Business or any other With A Twist® Business.
s.	Modification of the agreement	Section 23.1	No modifications generally but Operations Manual subject to change.
t.	Integration/merger clause	Section 23.2	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and franchise agreement may not be enforceable. This is not a disclaimer of the representations in the franchise agreement or in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v.	Choice of forum	Section 23.4	Litigation in Colorado (subject to state law).
w.	Choice of law	Section 23.4	Colorado law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the franchise or the endorsement or recommendation of the franchise by the public figure in advertisements. There are no public figures involved in our management. We reserve the right to pursue and obtain endorsements from public figures for With A Twist® Businesses. The Franchise Agreement does not prohibit you from using the name of a public figure or celebrity in your promotional efforts or advertising; however, all advertising requires our approval.

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 this Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, 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 Anna Stemple or Tom Stemple, With A Twist Franchising Inc., 795 McIntyre Street, Suite 204, Golden, Colorado 80401, 720-502-3588, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1.

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023 [(1)]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	4	6	+2
	2022	6	20	+14
	2023	20	24	+4
Company-Owned	2021	1	1	0
	2022	1	0	-1
	2023	0	0	0
Total Outlets	**2021**	**5**	**7**	**+2**
	2022	**7**	**20**	**+13**
	2023	**20**	**24**	**+4**

(1) All numbers are as of December 31 for each year.

Table 2.

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2021 TO 2023 (1)

State	Year	Number of Transfers
Totals	**2021**	**0**
	2022	**0**
	2023	**0**

(1) All numbers are as of December 31 for each year.

Table 3.

STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023(1)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Arizona	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Colorado	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Georgia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Maine	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Hampshire	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
South Carolina	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Vermont	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wyoming	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	**2021**	**4**	**2**	**0**	**0**	**0**	**0**	**6**
	2022	**6**	**14**	**0**	**0**	**0**	**0**	**20**
	2023	**20**	**4**	**0**	**0**	**0**	**0**	**24**

(1) All numbers are as of December 31 for each year.

Table 4.

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023 (1)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Colorado	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
Totals	**2021**	**1**	**0**	**0**	**0**	**0**	**1**
	2022	**1**	**0**	**0**	**0**	**1**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**

(1) All numbers are as of December 31 for each year.

Table 5.

PROJECTED OPENINGS AS OF DECEMBER 31, 2023

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Connecticut	0	1	0

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Iowa	0	1	0
Indiana	0	1	0
Maryland	0	1	0
Virginia	0	1	0
TOTALS	**0**	**5**	**0**

A list of names of all franchisees and the addresses and telephone numbers of their With A Twist® Businesses are in the list attached as Exhibit C to this Disclosure Document. The name, city, state and current Business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recent fiscal year or who has not communicated with us within 10 weeks of the date of this Disclosure Document is listed on Exhibit D to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees restricting their ability to speak openly about their experience with us or the With A Twist® franchise program.

In some instances in the future, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with us or the With A Twist® franchise program. You may wish to speak with current and former franchisees, but be aware that not all such franchisees may be able to communicate with you.

No independent franchisee organizations have asked to be included in this Disclosure Document. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the franchise system that have been created, sponsored or endorsed by us.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are our audited financial statements as of December 31, 2023, December 31, 2022 and December 31, 2021. Also included in Exhibit E are our unaudited financial statements for the period ended August 31, 2024. With A Twist Franchising Inc.'s fiscal year ends December 31st.

ITEM 22

CONTRACTS

Attached to this Disclosure Document are the following franchise-related contracts:

Exhibit B	Franchise Agreement
Exhibit F	Form of Promissory Note
Exhibit H	Nondisclosure and Noncompetition Agreement

Exhibit I	General Release
Exhibit J	State Addenda and Riders to Disclosure Document, Franchise Agreement and Other Exhibits
Exhibit K	Notice of Restrictive Covenants

ITEM 23

RECEIPT

The last page of this Disclosure Document (following the exhibits and attachments) is a document acknowledging receipt of this Disclosure Document by you (one copy for you and one copy to be signed and returned to us).

EXHIBIT A
(TO DISCLOSURE DOCUMENT)

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENCIES

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500
(866) 275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205
(866) 275-2677

1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 610-2093
(866) 275-2677

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559
(866) 275-2677

Florida

Department of Agriculture and Consumer Services
Division of Consumer Services
Terry Lee Rhodes Building
2005 Apalachee Parkway
Tallahassee, FL 32399-6500
(850) 488-2221

Hawaii

Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

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

Indiana

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

Maryland

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

Michigan

State of Michigan
Consumer Protection Division
Attention: Franchise
P.O. Box 30213
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

Nebraska

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

New York

New York State
Department of Law
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota

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

Oregon

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island

Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

South Dakota Department of Labor and Regulation
Division of Insurance - Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Texas

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

Virginia

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

Washington

Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Department of Financial Institutions
Division of Securities
345 W. Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

LIST OF AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation
California Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500
(866) 275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

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

Indiana

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

Maryland

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

Michigan

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

Minnesota

Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

New York

New York Secretary of State
99 Washington Avenue
Albany, NY 12231
(518) 473-2492

North Dakota

North Dakota Securities Commissioner
600 E. Boulevard Avenue
State Capitol, 5th Floor
Bismarck, ND 58505-0510
(701) 328-2910

Oregon

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

Rhode Island

Director of Rhode Island
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

Director of South Dakota Division of Insurance
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219
(804) 371-9733

Washington

Securities Administrator
Washington State Department of Financial Institutions
150 Israel Road S.W.
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Wisconsin Commissioner of Securities
345 W. Washington Ave., 4th Floor
Box 1768
Madison, WI 53703
(608) 261-9555

EXHIBIT B
(TO DISCLOSURE DOCUMENT)

WITH A TWIST FRANCHISING INC.

FRANCHISE AGREEMENT

Franchisee:_____
Date:_____
Franchised Location:_____

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III. Statement of Ownership
IV. Electronic Funds Transfer Authorization
V. Consent to Option

WITH A TWIST FRANCHISING INC.
FRANCHISE AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made this __ day of _____, 20__, by and between WITH A TWIST FRANCHISING INC., a Colorado corporation, located at 795 McIntyre Street, Suite 204, Golden, Colorado 80401 (the "**Franchisor**") and _____ _____ located at _____ _____ (the "**Franchisee**"), who, on the basis of the following understandings and agreements, agree as follows:

1. PURPOSE

1.1 Franchisor has developed methods for establishing and operating franchises for the operation of businesses ("**WITH A TWIST Businesses**" or "**Businesses**") that provide event services such as full service catering and bartending services, event staffing, event support, and other ancillary services ("**Mobile Bartending Services**") to individuals and companies who are hosting parties and other special events ("**Clients**") which use the service mark "WITH A TWIST" and related service marks, trade names and trademarks ("**Marks**") and Franchisor's proprietary methods of doing business ("**Licensed Methods**").

1.2 Franchisor grants the right to others to develop and operate WITH A TWIST Businesses, under the Marks and pursuant to the Licensed Methods.

1.3 Franchisee desires to establish and operate a WITH A TWIST Business within a Protected Territory and from a location identified herein or to be later identified, and Franchisor desires to grant Franchisee the right to establish and operate a WITH A TWIST Business within such Protected Territory and from such location under the terms and conditions which are contained in this Agreement.

2. GRANT OF FRANCHISE

2.1 **Grant of Franchise**. Franchisor grants to Franchisee, and Franchisee accepts from Franchisor, the right to use the Marks and Licensed Methods in connection with the establishment and operation of one WITH A TWIST Business, within the Protected Territory and from the location described in Section 3.1 of this Agreement. Franchisee agrees to use the Marks and Licensed Methods, as they may be changed, improved, and further developed by Franchisor from time to time, only in accordance with the terms and conditions of this Agreement.

2.2 **Scope of Franchise Operations**. Franchisee shall at all times comply with Franchisee's obligations hereunder and shall continuously use best efforts to promote and operate the WITH A TWIST Business. Franchisee shall not engage in any business other than the operation of the Business; provided, however, that this restriction is not intended to prevent Franchisee's principals from engaging in other business ventures in a manner and to an extent which does not otherwise violate the terms of this Agreement (including, without limitation, the restrictive covenants under Article 21). Franchisee shall utilize the Marks and Licensed Methods to operate all aspects of the business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by Franchisor, all of which are a part of the Licensed Methods. Franchisee's WITH A TWIST Business shall offer all services and products as Franchisor shall designate. Franchisee shall be restricted from offering or selling any services or products not previously approved by Franchisor in writing. Additionally, Franchisee shall be restricted from offering the authorized services or distributing any authorized products for sale outside Franchisee's Protected Territory, except under the following circumstances: (a) if the Client is located within Franchisee's Protected Territory and requests services at a location outside Franchisee's Protected Territory, (b) the

Client, who is located outside of Franchisee's Protected Territory, contacts Franchisee without being solicited by Franchisee and the Franchisee is otherwise in compliance with Franchisor's advertising and marketing standards, or (c) as permitted by Franchisor in writing.

3. PROTECTED TERRITORY AND TERRITORIAL RIGHTS

3.1 Protected Territory and Franchised Location.

a. Protected Territory. Franchisor grants Franchisee the right and franchise to own and operate a WITH A TWIST Business within the geographic area described in Exhibit I, attached hereto (the "**Protected Territory**"). Franchisee may only contact referral sources and advertise inside the Protected Territory, subject to the provisions in Franchisor's Operations Manual. Franchisee is prohibited from proactively generating leads and marketing outside the Protected Territory, and shall not contact or market to event centers, venues or other third parties that are located outside the Protected Territory. Franchisee shall comply with any written policies that Franchisor may establish from time to time describing customary exceptions to the restriction against provision of services and products outside the Protected Territory, guidelines for referral of Clients located outside the Protected Territory to other WITH A TWIST franchisees, additional guidelines relating to the advertising and promotion of a WITH A TWIST Business, and similar issues. Franchisor's determinations on Clients located outside of Franchisee's Protected Territory will be binding on Franchisee. Under no circumstances will Franchisor be liable to Franchisee for violations of Franchisor's policies by other WITH A TWIST Businesses regarding Clients located outside of a franchisee's protected territory. Further, Franchisor's acceptance of Royalty and other payments based on services provided to Clients located outside Franchisee's Protected Territory does not constitute approval by Franchisor of services provided to such Clients. Subject to Franchisor's reservation of rights described in Section 3.3 below and the ability of franchisees to provide services outside their Protected Territories in certain circumstances, Franchisor shall not establish and operate, or permit another person or entity to establish and operate, a WITH A TWIST Business within the Protected Territory.

b. Franchised Location. Franchisee shall operate its WITH A TWIST Business from the address and location set forth in Exhibit I ("**Franchised Location**"), which location may initially be the home residence of Franchisee or one of Franchisee's principals. Franchisee agrees and understands that Franchisor reserves the right to require Franchisee to lease a commercial space approved by Franchisor within the Protected Territory when the growth of Franchisee's WITH A TWIST Business warrants, as determined by Franchisor in its sole discretion. The Franchised Location may not be relocated without Franchisor's prior written consent. Permission to relocate shall not be unreasonably withheld; provided, however, the Franchised Location must remain in the Protected Territory. Franchisee shall not offer services that are part of the Licensed Methods from any location other than the Franchised Location, except with the prior written approval of Franchisor.

3.2 Limitation on Franchise Rights. The rights that are granted to Franchisee are for the specific Protected Territory and Franchised Location and cannot be transferred to an alternative Protected Territory and Franchised Location, or any other territory or location, without the prior written approval of Franchisor, which approval shall not be unreasonably withheld. Franchisee shall not operate another business, offer services or products which are part of the Licensed Methods in any geographic area or from any site other than the Protected Territory and Franchised Location.

3.3 **Franchisor's Reservation of Rights**. Franchisee acknowledges that its franchise rights as granted are non-exclusive and that Franchisor, for itself and its successors and affiliates, retains the rights, among others:

a. to solicit Clients, advertise and promote sales anywhere, whether through the Website, through the operation of other similar or through related businesses or other methods;

b. to provide or allow other franchisees to provide WITH A TWIST Business services and other services that we authorize to Clients you are unable or unwilling to serve;

c. to use, and to license others to use, the Marks and Licensed Methods in connection with the operation of WITH A TWIST Businesses, at any location except within the Protected Territory;

d. to use the Marks to identify any type of services and products, promotional and marketing efforts or related items, and to identify products and services distributed or otherwise made available through alternative channels of distribution (other than through WITH A TWIST Businesses), at any location, whether within or outside of the Protected Territory, including but not limited to, at temporary events and venues or by way of wholesale distribution, Internet marketing or distribution, by mail order, catalog sales, social media marketing, telemarketing, other direct marketing or retail store product display;

e. to use and license the use of different proprietary marks or methods in connection with the sale of products and services similar to those which Franchisee will sell, whether in alternative channels of distribution, including but not limited to, the Internet, or in connection with the operation of businesses, at any location, whether within or outside of the Protected Territory, which businesses are similar to, or different from WITH A TWIST Businesses, on any terms and conditions as Franchisor deems advisable;

f. acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Franchisee's WITH A TWIST Business, and franchise, license or create similar arrangements with respect to such businesses once acquired, wherever such businesses (or franchises or licensees of such businesses) are located or operating, and even if they compete with Franchisee's WITH A TWIST Business;

g. be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services similar to those provided by Franchisee's WITH A TWIST Business, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of products or services which are the same as or similar to those offered by Franchisee's WITH A TWIST Business and even if it competes with Franchisee's WITH A TWIST Business inside the Protected Territory;

h. to establish contracts with "National Accounts," as set forth in Section 3.4 below, for the provision of WITH A TWIST Business services and other services that we authorize in the Protected Territory;

i. do such other things, provide such other services, and transact such other business that this Agreement does not expressly grant to or confer upon Franchisee; and

j. do such things, provide such other services, and transact such business not expressly prohibited in this Agreement.

3.4 **National Accounts**. Franchisor reserves the right to enter into contracts and strategic alliances with "National Accounts" for the provision of services by multiple WITH A TWIST Businesses. A "National Account" is a business or organization that: (1) conducts operations, directly or through agents, affiliates, independent contractors, franchisees or licensees, in two or more territories in which Franchisor or its franchisees are operating WITH A TWIST Businesses; and (2) has a written contract or strategic alliance with Franchisor for the purpose of providing services to the National Account or to clients of the National Account who are in need of a WITH A TWIST Business's services in such territories. If Franchisee is eligible to accept National Account referrals, Franchisor will give Franchisee a right of first refusal to provide Mobile Bartending Services to the National Account or clients of the National Account who are in need of Mobile Bartending Services in the Protected Territory. Franchisee shall be eligible to accept National Account referrals, if Franchisee is able to provide services to the National Account based on terms and conditions agreed to between Franchisor and the National Account (e.g., WITH A TWIST Business resources, conditions for availability, billing, price and terms, and insurance requirements) or as otherwise required or preferred by the National Account, as determined by Franchisor in its sole discretion. If Franchisee receives a referral of National Account business and cannot or does not elect to accept the referral to provide WITH A TWIST Business services to the National Account clients in its Protected Territory based on the National Account agreement or program, violates the agreement with or standards set by the National Account or otherwise, then Franchisor or Franchisor's designees or other franchisees will have the right to provide the Mobile Bartending Services to the National Account clients in Franchisee's Protected Territory and Franchisee will not provide services to those clients during the term of the National Account agreement or program. In these circumstances, Franchisee will not be entitled to receive any portion of the resulting compensation. Franchisor makes no guarantee that Franchisor will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if Franchisor does, that Franchisee will receive any National Account referrals or be able to maintain the National Account business in Franchisee's Protected Territory. Franchisee acknowledges that Franchisor reserves the right to derive revenues from or through the National Account contracts or strategic alliances.

4. INITIAL FEES

4.1 **Initial Franchise Fee**. In consideration for the right to develop and operate one WITH A TWIST Business with one Protected Territory, Franchisee shall pay to Franchisor an initial franchise fee in an amount set forth in Exhibit I, due and payable on the date of execution of this Agreement. Franchisee acknowledges that the initial franchise fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that Franchisor has earned the initial franchise fee upon receipt thereof and that the fee is under no circumstances refundable to Franchisee after it is paid, unless otherwise specifically set forth in this Agreement.

5. DEVELOPMENT OF WITH A TWIST BUSINESS

5.1 **Office Equipment, Computer Hardware and Software**. Franchisee shall purchase or lease office equipment, computer hardware, and computer software, and shall establish and maintain Internet connections and an e-mail account, in accordance with the standards and specifications of Franchisor for use in the operation of the WITH A TWIST Business. Franchisee may be required to purchase some or all of its computer software (as currently exists, such as the WAT Software (defined below), and as may be developed in the future) from or through Franchisor. Franchisee agrees and acknowledges that any software developed or modified by Franchisor, and the manner in which such software, its content and output are used in connection with the WITH A TWIST Business is proprietary, trade secret and part of Franchisor's Licensed Methods. Throughout the term of this Agreement, Franchisee shall purchase, install, upgrade or update the designated computer system and software, and maintain the systems, at Franchisee's sole cost, to meet Franchisor's then current standards and specifications. Franchisor further reserves the right to

require on 30 days' notice that Franchisee purchase, install and implement computer hardware and software upgrades, updates and revisions for use in the operation of the WITH A TWIST Business, including but not limited to, installing new software programs developed or required by Franchisor and installing enhanced computer data security hardware and software and engaging a security monitoring service. If Franchisee fails to purchase or maintain services or equipment that meet Franchisor's standards, Franchisor may purchase such items on Franchisee's behalf, and Franchisee must reimburse Franchisor. Franchisee shall run automated anti-virus programs and update them as needed and shall update and upgrade software programs when new versions are released, at Franchisee's expense. If required to do so by Franchisor, Franchisee, at Franchisee's sole cost, shall join an Internet electronic network connection service, contract for high-speed Internet access, if available, and join an enterprise system to facilitate communication between Franchisor and Franchisee and/or among all WITH A TWIST franchisees, and to facilitate Franchisor's access to operating information.

5.2 **WAT Software**. As described below in Section 13.6, Franchisee shall pay a monthly "Online Marketing, Web and Tech Fee" to Franchisor, a portion of which will cover the following items: (a) the license from Franchisor to allow Franchisee to use customized software in Franchisee's WITH A TWIST Business (the "**WAT Software**"), (b) maintenance costs and improvements to the WAT Software, (c) the customer relationship management software used in the WITH A TWIST Business, and (d) participation in Franchisor's electronic mail system and other electronic communications. If Franchisee's computer system or WAT Software requires extensive maintenance or troubleshooting, Franchisor reserves the right to charge an additional hourly fee (at Franchisor's then current rate) to resolve such computer issues.

5.3 **Equipment and Inventory**. Franchisee shall purchase or otherwise obtain for use or sale at the Franchised Location and in connection with the WITH A TWIST Business equipment, inventory, other products and services of a type and in an amount which complies with the standards and specifications of Franchisor. Franchisee acknowledges that the type, quality, configuration, capability and/or performance of the equipment, inventory and other products and services used or offered through the WITH A TWIST Business are all standards and specifications which are a part of the Licensed Methods and therefore such equipment, inventory, products, other items and services must be purchased, leased or otherwise obtained in accordance with Franchisor's standards and specifications. Franchisee is required to purchase replacement, additional and ancillary equipment as Franchisee's WITH A TWIST Business grows, as the WITH A TWIST franchise system develops, and as Franchisor otherwise requires, all in accordance with Franchisor's standards and specifications. Franchisor reserves the right to require Franchisee to purchase a customized bar with related audio and visual capabilities, and additional equipment which relates to new services (which are rolled out on a systemwide basis), upon 60 days' written notice from a vendor designated or approved by Franchisor. Franchisee shall, during the term of this Agreement, maintain a sufficient inventory of WITH A TWIST products to meet customer demands for the products offered for retail sale and for those products used by service providers in a WITH A TWIST Business, and comply with Franchisor's standards and specifications related to inventory as set forth in the Operations Manual from time to time. Franchisee acknowledges and agrees that it may be required to purchase WITH A TWIST products exclusively from Franchisor, its affiliates or suppliers or other sources designated or approved by Franchisor. If the Franchised Location is in a commercial space, Franchisee shall purchase or otherwise obtain for use at the Franchised Location signs which comply with the standards and specifications of Franchisor as set forth in the Operations Manual, as that term is defined in Section 8.1. It is Franchisee's sole responsibility to ensure that any signs comply with applicable local ordinances, regulations, building codes and zoning regulations. Any modifications to Franchisor's standards and specifications for signs which must be made due to local ordinances, codes or regulations shall be submitted to Franchisor for prior written approval. Franchisee acknowledges that the Marks, or any other name, symbol or identifying marks on any signs shall only be used in accordance with Franchisor's standards and specifications and only with the prior written approval of Franchisor.

5.4 **Data Security and Access**. Franchisee must purchase, install, and implement computer data security hardware and software, firewall protection, and security breach insurance through Franchisor's designated or approved supplier. If a data security breach occurs, Franchisee must immediately notify Franchisor and comply with all investigation and remediation efforts related to such breach consistent with Franchisor's standards and specifications. Franchisee authorizes vendors designated or approved by Franchisor to conduct periodic data security and compliance audits and to perform remediation measures pursuant to Franchisor's standards and specifications or Franchisee shall provide proof of compliance to Franchisor. Franchisee must also purchase Franchisor's designated or approved data backup software and service. Franchisor also reserves the right to require Franchisee to provide Franchisor with reasonable access to information and data regarding the WITH A TWIST Business by computer modem, Internet connection or by other means.

5.5 **Permits and Licenses**. Franchisee agrees to obtain all such permits and certifications as may be required for the lawful operation of the WITH A TWIST Business, together with all certifications from government authorities, as applicable, including without limitation, liquor licenses, licenses to do business and fictitious name registrations and sales tax permits. Within 30 days after Franchisee's Business opens for business, Franchisee will deliver to Franchisor a copy of its Business license or permit and liquor license, if applicable. Franchisee is advised to speak to a local liquor licensing attorney for guidance.

5.6 **Commencement of Operations**. Unless otherwise agreed to in writing by Franchisor and Franchisee, Franchisee has four months from the date of this Agreement within which to: (1) secure all necessary financing for the Business; (2) complete the initial training program described in Section 6.1 of this Agreement; (3) purchase or lease equipment, computer hardware and software as meets the standards and specifications of Franchisor; (4) purchase an opening inventory of products and supplies; (5) obtain and provide evidence of insurance as described in Section 22.1 below; (6) hire licensed and qualified staff and employees; and (7) commence operation of the WITH A TWIST Business. Franchisor will extend the time in which Franchisee has to commence operations for a reasonable period of time if factors beyond Franchisee's reasonable control prevent Franchisee from meeting this development schedule, so long as Franchisee has made reasonable and continuing efforts to comply with such development obligations and Franchisee requests, in writing, an extension of time in which to have its WITH A TWIST Business established before such development period lapses. Franchisee shall obtain Franchisor's approval prior to opening the WITH A TWIST Business for business.

5.7 **Enhancements Developed by Franchisee**. If Franchisee or its officers, directors, partners, limited liability company managers or members, employees, staff, agents or representatives, develop, enhance or otherwise improve any aspect of, or related to, Franchisee's Business or the Licensed Methods, any and all plans, methods, ideas and systems related to the development, enhancement, or other improvement shall inure to the benefit of Franchisor, shall be owned by Franchisor as part of the Licensed Methods; and may, in Franchisor's sole discretion, be made available to other WITH A TWIST Businesses.

6. TRAINING

6.1 **Initial Training Program**. Franchisee, if Franchisee is an individual, or the principal owner of Franchisee entity, and the person designated by Franchisee to assume primary responsibility for the overall management of the WITH A TWIST Business (the "**Principal Manager**"), shall both attend the initial training program offered by Franchisor. Franchisor's initial training program is conducted virtually or at Franchisor's headquarters. The Principal Manager must successfully complete the initial training program (which includes, among other items, Franchisor's online "Learning Management Training") before he/she will be permitted to perform the duties of the Principal Manager. The two individuals referenced above in this Section are eligible to participate in Franchisor's initial training program without charge of a tuition or fee. Franchisee is responsible for any and all traveling expenses, living expenses and wages incurred by

Franchisee and its staff and employees in connection with attendance at the training program. Training participants will not receive any compensation from Franchisor while attending Franchisor's training. At least one individual must successfully complete the initial training program prior to Franchisee's commencement of operation of its WITH A TWIST Business.

6.2 **Length of Initial Training**. The initial training program shall consist of a total of approximately fifty (50) hours of instruction. Franchisor reserves the right to waive a portion of the training program or alter the training schedule, if in Franchisor's sole discretion, Franchisee or the Principal Manager has sufficient prior experience or training.

6.3 **Manager Training Programs**. If Franchisee hires a new Principal Manager during the term of this Agreement, that person must successfully complete either Franchisor's initial training program or the training program described below. Additionally, if Franchisee (either itself or with its affiliates) operates multiple WITH A TWIST Businesses across multiple Protected Territories, Franchisee agrees to hire a "**District Manager**" to supervise Franchisee's Principal Managers and the overall operation of all of Franchisee's affiliated WITH A TWIST Businesses. A District Manager must also attend and successfully complete Franchisor's initial training program before being allowed to act as a District Manager. Franchisee will pay Franchisor's then current tuition for the applicable training, in addition to the travel and living expenses, if any, incurred in connection with attending training. Franchisee acknowledges and agrees that it shall not send its Principal Managers, District Manager or any of its staff or other employees to training programs other than those training programs conducted by Franchisor or approved by Franchisor in writing in advance.

6.4 **Additional Training**. From time to time, Franchisor may present seminars, webinars, conventions, manager retreats, or continuing development programs or conduct meetings for the benefit of Franchisee. Franchisee, its Principal Manager and its District Manager shall be required to attend in person any ongoing mandatory seminars, conventions, programs or meetings as may be offered by Franchisor from time to time during the term of this Agreement. Franchisor shall give Franchisee at least 30 days prior written notice of any upcoming seminar, convention or program that is mandatory attendance. Franchisor shall not require that Franchisee attend any national convention or ongoing training in person more often than once a year. Franchisee shall be required to pay a "National Convention Fee" to attend any national convention or ongoing training. Additionally, Franchisor shall have the right to require Franchisee, its Principal Manager, its District Manager and other designated staff or employees to attend a local or regional meeting or manager retreat in person up to two times each calendar year. Franchisee shall be responsible for payment of all wages for employees who attend any trainings, retreats, seminars, etc.

7. DEVELOPMENT ASSISTANCE

7.1 **Franchisor's Development Assistance**. Franchisor, or its designee, shall provide Franchisee with assistance in the initial establishment of the WITH A TWIST Business as follows:

a. Franchisor shall designate Franchisee's Protected Territory.

b. Franchisor shall provide Franchisee with information, if any and to the extent available, regarding event centers, caterers, business development targets, technical support, CRM System launch, the selection of suppliers of equipment, items and materials used, and products and services offered by Franchisee's WITH A TWIST Business.

c. Provision of the initial training program to be conducted virtually, at Franchisor's designated training facilities or at another location designated by Franchisor, as described in Article 6 above.

d. Information regarding the selection of suppliers of equipment, computer hardware and software, inventory, items and materials, bartending products and merchandise used or offered for sale in connection with the WITH A TWIST Business. Franchisor shall make available to Franchisee a list of designated and approved suppliers, if any, of such equipment, computer hardware and software, inventory, items, materials, products, merchandise and, if available, a description of any regional or central purchase and supply agreements offered by such designated and approved suppliers for the benefit of WITH A TWIST franchisees.

e. Provision of an operations manual in accordance with Section 8.1 below (as such operations manual is developed and completed).

f. Franchisor will assist Franchisee in the grand opening and grand opening marketing of the WITH A TWIST Business.

8. OPERATIONS MANUAL

8.1 **Operations Manual**. Franchisor shall provide to Franchisee, either electronically or in such other manner as Franchisor shall determine, one or more manuals, technical bulletins, or other written materials, as such items are developed and completed (collectively referred to as "**Operations Manual**"), covering certain standards, specifications and operating and marketing procedures that Franchisor requires Franchisee to utilize in operating its WITH A TWIST Business. Franchisee agrees that it shall comply with the Operations Manual as an essential aspect of its obligations under this Agreement, the Operations Manual shall be deemed to be incorporated herein by reference, and failure by Franchisee to substantially comply with the Operations Manual may be considered by Franchisor to be a breach of this Agreement.

8.2 **Confidentiality of Operations Manual Contents**. Franchisee shall use the Marks and Licensed Methods only as specified in the Operations Manual. The Operations Manual is the sole property of Franchisor and shall be used by Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. Franchisee shall not print or duplicate the Operations Manual nor disclose its contents to persons other than its employees, staff or officers who have signed a confidentiality and noncompetition agreement in a form approved by Franchisor. Franchisee shall return the Operations Manual to Franchisor upon the expiration, termination or assignment of this Agreement.

8.3 **Changes to Operations Manual**. Franchisor reserves the right to revise the Operations Manual from time to time as it deems necessary to update or change operating and marketing techniques or standards and specifications. Franchisee shall download and update its copy of the Operations Manual as instructed by Franchisor and shall conform its operations to the updated provisions within 30 days of receipt of each update. Franchisee acknowledges that a master copy of the Operations Manual maintained by Franchisor at its principal office shall be controlling in the event of a dispute relative to the content of any Operations Manual.

9. OPERATING ASSISTANCE

9.1 **Franchisor's Services**. Franchisor, or its designee, shall, during Franchisee's operation of the WITH A TWIST Business, make available to Franchisee the following services:

a. Franchisor shall give Franchisee access to advertising and promotional materials as may be developed by Franchisor, the cost of which may be passed on to Franchisee or charged to the National Marketing Fund (defined in Section 13.2 below), at Franchisor's option.

b. Franchisor shall operate and maintain the WITH A TWIST website (the "**Website**"), which provides sales and operations support services for and may provide leads to

Franchisee's WITH A TWIST Business, in addition to other services developed and implemented by Franchisor from time to time. Although Franchisor may provide Franchisee with supplemental sales leads through the Website, Franchisor is not required to provide such leads and does not guarantee any level of sales for Franchisee's WITH A TWIST Business.

c. Upon the reasonable request of Franchisee, consultation by telephone, facsimile or electronic mail regarding the continued operation and management of a WITH A TWIST Business and advice regarding event planning, catered bartending services, event staffing, event support, Client relations, product purchase, supply and sale and similar advice.

d. Provision of seminars, webinars or programs, at a frequency to be determined by Franchisor, on new methods, services, marketing techniques, equipment and products.

e. Updates of information and programs regarding the franchised business, the WITH A TWIST concept, the event planning industry generally, and the Licensed Methods, at a frequency to be determined by Franchisor, including, without limitation, information about improvements to existing event planning services offered, new business offerings, trends and products and merchandise which may be developed and made available to WITH A TWIST franchisees as a part of the Licensed Methods.

f. Franchisor shall make the initial training program available to replacement or additional Principal Managers and District Managers during the term of this Agreement. Franchisor reserves the right to charge a tuition or fee in an amount payable in advance, commensurate with the then current published prices of Franchisor for such training. Franchisee shall be responsible for all wages, travel and living expenses incurred by its personnel during the training program. The availability of the training programs shall be subject to space considerations and prior commitments to new WITH A TWIST franchisees.

g. Provide Franchisee with, or otherwise make available, any updates, changes or modifications to the Operations Manual and or other manuals and support materials related to the operation of Franchisee's WITH A TWIST Business. Franchisee is responsible for continually updating Franchisee's manual(s) once Franchisor has made such updates or revisions available to Franchisee.

h. Conduct inspections of Franchisee's WITH A TWIST Business, its operations, the services rendered by Franchisee's WITH A TWIST Business and Franchisee's equipment, as Franchisor deems advisable in its sole discretion, to evaluate Franchisee's compliance with Franchisor's brand standards.

9.2 **Additional Franchisor Services**. Although not obligated to do so, Franchisor may make its employees or designated agents available to Franchisee for on-site advice and assistance in connection with the on-going operation of the WITH A TWIST Business governed by this Agreement. If Franchisee requests such additional assistance and Franchisor agrees to provide the same, Franchisor reserves the right to charge Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of Franchisee, which fee will be charged in accordance with the then current daily or hourly rates being charged by Franchisor for assistance.

10. FRANCHISEE'S OPERATIONAL COVENANTS

10.1 **Business Operations**. Franchisee shall comply with this Agreement and the Operations Manual. In addition to all other obligations contained in this Agreement and in the Operations Manual, Franchisee shall comply with the following operational obligations.

a. Quality of Operations. Franchisee shall maintain clean, efficient and high quality WITH A TWIST Business operations and shall operate the Business in accordance with the Operations Manual and in such a manner as not to detract from or adversely reflect upon the name and reputation of Franchisor and the goodwill associated with the With a Twist Franchising Inc. name and the Marks. Franchisee shall provide the services and products as listed in the Operations Manual (or required by Franchisor) and approved by Franchisor for offer from and through the WITH A TWIST Business. Franchisee acknowledges that the list of authorized services may be modified from time to time by Franchisor, either in the Operations Manual or in writing. Franchisee shall not offer for sale or sell at or through the WITH A TWIST Business any services not included in the Operations Manual or otherwise approved in writing by Franchisor, or any other products or services not previously authorized by Franchisor. Franchisee acknowledges that it has the right, but only with the prior written approval of Franchisor, and subject to the standards and specifications of Franchisor, to contract out to third parties to provide certain services offered by the Business. Franchisee's WITH A TWIST Business shall offer all the services as modified from time to time and as permitted under applicable state law. In the performance of the Mobile Bartending Services, Franchisee will not be required to buy, sell or transport any alcohol (alcohol will be purchased by the client for the particular event).

b. Compliance with Laws and Good Business Practices. Franchisee shall conduct itself and operate its WITH A TWIST Business in compliance with all applicable laws, regulations and other ordinances, including, without limitation, liquor licensing regulations, health department regulations, music licensing laws, data security laws, privacy laws, and other ordinances in such a manner so as to promote a good public image in the business community. In connection therewith, Franchisee will be solely and fully responsible for obtaining any and all licenses to carry on business at the WITH A TWIST Business and for ensuring that all employees, staff and other personnel providing services through Franchisee's WITH A TWIST Business are properly trained and qualified (including, without limitation, completing training related to serving alcohol, as may be set forth in the Operations Manual, and obtaining any required alcohol certifications). Franchisee shall provide Franchisor with copies of all liquor licenses held by Franchisee and each of its employees and staff upon request. Each of Franchisee's staff and employees shall provide only those services to Clients that they are licensed and qualified to provide. In addition, Franchisee promptly shall provide to Franchisor copies of all liquor license, health and sanitation department, fire department, building department, and other state or local entity or agency warnings, notices of deficiency or non-compliance, reports of inspections and other documents indicating that Franchisee has not met or maintained the highest governmental standards as and when such reports, notices and documents become available. Franchisee shall be solely responsible for any penalties or fines assessed for failure to abide by such laws and regulations.

c. Management. Franchisee acknowledges that proper management of the WITH A TWIST Business is important and shall insure that one of the principal owners of Franchisee entity and the designated Principal Manager and District Manager who have completed Franchisor's initial training program, are responsible for the management of the WITH A TWIST Business at all times. Franchisee shall run background checks, in accordance with Franchisor's specifications and guidelines (as described in the Operations Manual), on all of its staff, employees and any independent contractors before hiring them, and at least annually thereafter. Franchisee shall not

hire, or continue to employ, any individual (employee or individual contractor) who has been convicted of a disqualifying crime (according to state regulations, insurance standards or Franchisor's specifications). Franchisee shall ensure that all employees, staff and independent contractors are capable of and do at all times provide services to Clients consistent with Franchisor's specifications, in a manner which does not reflect negatively (as determined by Franchisor in its sole discretion) on the WITH A TWIST brand and in accordance with written contracts between Franchisee and the Clients. Franchisor reserves the right to review and approve the form of Client contract used by Franchisee.

d. Marketing and Sales. Within one hundred eighty (180) days of commencing operation of the Business and at all times thereafter, Franchisee shall hire a person or persons (who may be an existing employee or a Principal Manager) who will be dedicated to performing marketing and sales activities in the Protected Territory. Franchisor reserves the right to require Franchisee to hire a marketing and salesperson for a minimum number of hours per week upon written notice. Finally, if Franchisee (itself or through its affiliates) operates multiple WITH A TWIST Businesses across multiple Protected Territories, Franchisee must have at least one person dedicated to operations and sales for Franchisee's WITH A TWIST Business within the Protected Territory.

e. Approved Services, Products and Suppliers. Franchisee shall use only such equipment, products, supplies, form agreements, documents, and services, including computer hardware and related products and services, which are approved by Franchisor in writing and are purchased or leased from suppliers who can supply these items in accordance with Franchisor's standards and specifications. Franchisee shall offer all types of services and products, including specific brands, as from time to time may be prescribed by Franchisor and shall refrain from offering any other types of services or products, including specific brands, or operating or engaging in any other type of business or profession, from or through the WITH A TWIST Business that are not authorized by Franchisor, without the prior written consent of Franchisor. Franchisor reserves the right to require Franchisee to purchase, from Franchisor, its affiliates or approved or designated third-party suppliers, various items used in or sold through the Business, including without limitation, business forms, form agreements, documents, and operational materials, computer hardware and software and other technology, advertising and marketing materials and promotional items and Client giveaways. Franchisor reserves the right to impose a surcharge on any products or services provided by Franchisor, its affiliates, or an approved or designated third-party supplier. If Franchisee proposes to purchase or lease any equipment, products, supplies or services not previously approved by Franchisor as meeting its specifications, or from suppliers not previously approved by Franchisor, Franchisee shall first notify Franchisor requesting approval, which approval shall not be unreasonably withheld. Franchisor will notify Franchisee of its approval or disapproval of a proposed item or supplier within thirty (30) days after receipt of Franchisee's request for approval. Franchisor reserves the right to require submission of sufficient specifications, information, or samples to determine whether the items or proposed suppliers of the items meet Franchisor's standards and specifications. Franchisor also reserves the right to revoke its approval of an item or supplier that was previously approved upon 30 days' notice.

f. Payment of Obligations. Franchisee shall pay on a timely basis all amounts due and owing to Franchisor pursuant to any separate agreements between Franchisee and Franchisor and all amounts due and owing by Franchisee to all third parties, including affiliates of Franchisor, national vendors and taxing authorities, with whom Franchisee does business at or through the Business. In connection with any amounts due and owing by Franchisee to third parties, Franchisee expressly acknowledges that a default by Franchisee with respect to such indebtedness may be

considered a default hereunder and Franchisor may avail itself of all remedies provided for herein in the event of default.

g. Minimum Sales Requirements. Franchisee shall attain and maintain the following minimum sales requirements ("**Minimum Sales Requirements**") in the Protected Territory: (1) at the end of the 12th month after the Business opens, Franchisee shall attain and maintain a minimum of $10,000 per month in Gross Sales; (2) at the end of the 24th month after the Business opens, Franchisee shall attain and maintain a minimum of $20,000 per month in Gross Sales; and (3) at the end of the 36th month after the Business opens, Franchisee shall attain and maintain a minimum of $30,000 per month in Gross Sales. Thereafter, Franchisee must maintain a minimum of $30,000 in Gross Sales per month for the remainder of the term of this Agreement. Franchisee acknowledges and agrees that if it fails to achieve and maintain these minimums, Franchisor shall have the right to: (i) reduce the size of the Protected Territory; (ii) establish or license a third party to establish a WITH A TWIST Business within the Protected Territory; (iii) require Franchisee to implement a revenue improvement program for a period of 12 months, which includes engaging in specified marketing and other activities to improve Franchisee's Business; or (iv) terminate this Agreement, in Franchisor's sole discretion. Failure to comply with the terms of the revenue improvement program or failure to achieve Minimum Sales Requirements after 12 months in the revenue improvement program may be grounds for termination of this Agreement. For purposes of clarification, Franchisee's Minimum Sales Requirements shall apply separately to each of Franchisee's Protected Territories, if applicable.

h. Other Agreements. Franchisee shall comply with all agreements with third parties related to the WITH A TWIST Business including, in particular, all provisions of any premises lease or equipment lease. In addition, Franchisee shall obtain Franchisor's prior written consent to any changes to the premises lease or any equipment lease during the term of this Agreement.

i. Staff and Employees. Franchisee shall be exclusively responsible for the conduct and control of its personnel (including any independent contractors on Franchisee's staff and Franchisee's employees) and employment practices, including hiring, firing, training, and compensation of its staff and employees. Franchisee shall be fully responsible for compliance with the operational standards which are part of the Licensed Methods by its staff and employees. Franchisee must conduct its personnel training in a manner which ensures that Franchisee's staff and employees comply with such operational standards and all laws and regulations affecting Business operations. Any employee or independent contractor who does not satisfactorily complete Franchisee's training, as described in this section, shall not work in any capacity in Franchisee's WITH A TWIST Business. Franchisee shall be responsible for hiring fully licensed bartenders or other personnel who meet Franchisor's guidelines related to experience. Franchisee and all staff and employees of Franchisee shall present a professional appearance, as described in the Operations Manual, and shall render competent and courteous service to Clients of the WITH A TWIST Business. All Principal Managers, the District Manager and all staff and employees of Franchisee, Franchisee and its owners, shall at all times when meeting with Clients and prospective Clients wear clothing that meets such standards and specifications as may be prescribed by Franchisor from time to time. Franchisor has the right, in its sole and absolute discretion, to change or modify such dress code guidelines. Nothing in this Agreement shall be deemed to make Franchisee's staff, employees, representatives or agents (i) subject to the control of Franchisor or (ii) employees of Franchisor.

j. Remodeling and Upgrading. Franchisee shall renovate, refurbish, remodel or replace, at its own expense, the personal property, furnishings and equipment used in the operation of the WITH A TWIST Business, when reasonably required by Franchisor in order to comply with

the image, standards of operation and performance capability established by Franchisor from time to time. If Franchisor changes its image or standards of operation, it shall give Franchisee a reasonable period of time within which to comply with such changes.

k. Telephones. All calls to Franchisee's Business must be answered by all parties with the words "With A Twist," unless otherwise instructed by Franchisor. Franchisee must have an employee or independent contractor for its Business or a knowledgeable answering service answering telephone calls from Clients and prospective Clients seven days a week. Franchisee must respond to calls and online to Franchisee's Business within a reasonable time period after the call or inquiry is received or to a knowledgeable answering service. Individuals returning telephone messages and online inquiries must inform the Client or prospective Client that they are calling on behalf of "With a Twist," unless otherwise instructed by Franchisor. Franchisor reserves the right to require Franchisee to use an approved or designated answering service on 30 days' notice, at Franchisee's expense.

l. Ownership of Business. Franchisee shall at all times during the term of this Agreement own and control the WITH A TWIST Business authorized hereunder. Upon request of Franchisor, Franchisee shall promptly provide satisfactory proof of such ownership to Franchisor. Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the WITH A TWIST Business is held by Franchisee. Franchisee shall promptly provide Franchisor with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 17 herein. In addition, if Franchisee is an entity, all of the owners of Franchisee shall sign the Guaranty and Assumption of Franchisee's Obligations attached hereto as Exhibit II.

m. Hours of Operation. Franchisee shall at all times during the term of this Agreement keep its WITH A TWIST Business open during the business hours as may be designated by Franchisor from time to time in the Operations Manual and shall maintain sufficient staffing of licensed personnel, supplies of branded products and merchandise and employ adequate personnel at all times so as to operate the Business at its maximum capacity and efficiency.

10.2 Anti-Terrorism Representation. Franchisee and its principal shareholders, members or owners ("**principals**") agree to comply with or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its principals certify, represent, and warrant that none of their respective property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that neither Franchisee nor any of its principals are otherwise in violation of any of the Anti-Terrorism Laws. For the purposes of this Section, the term "Anti-Terrorism Laws" shall mean Executive Order 13224 issued by the President of the United States ("**Executive Order 13224**"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this Agreement or their actions) addressing or in any way relating to terrorist acts or acts of war. Franchisee and its principals certify that none of them, their respective employees or staff, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "**Annex**"), which is available at: **http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx**. Franchisee agrees

not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). Franchisee also agrees not to knowingly: (a) establish a new relationship with a person as an employee, independent contractor, principal, banker, or otherwise who is listed in the Annex (whether or not Franchisor has consented to a transfer involving such new principal); and (b) maintain a business relationship (whether with an employee, independent contractor, principal, banker, or otherwise) with a person who is added to the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or its principals, its employees or staff, or anyone else associated with Franchisee to be listed in the Annex. Franchisee understands that it is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its principals, its employees or staff, or their respective affiliates shall constitute grounds for immediate termination of this Agreement, and any other Agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates.

11. PURCHASES OF PRODUCTS

11.1 **Inventory**. Franchisee shall, during the term of the Franchise Agreement, maintain product inventory levels and product inventory mix sufficient to meet Client demands and in compliance with Franchisor's standards and specifications as may be described in the Operations Manual from time to time. Franchisee's required inventory purchases include bar setup products, equipment and materials, trade show booth materials, multi-media systems and other items as developed and required in the future. Franchisor reserves the right to require Franchisee to purchase and maintain inventories of products of designated brands and to participate in Franchisor's "Liquor Partner Program" when and if such program is available in Franchisee's Protected Territory. Franchisee may be required to purchase products from Franchisor, its affiliate or designated supplier.

11.2 **Limitations on Supply Obligations**. Delivery of products as may be purchased from Franchisor or its affiliates is subject to and conditioned upon availability. Nothing in this Agreement shall be construed by Franchisee to be a promise or guarantee as to the continued availability of a particular product sold by Franchisor or its affiliated companies, nor shall any provision herein imply or establish an obligation on the part of Franchisor and its affiliates to sell products to Franchisee if Franchisee is in arrears on any payment to Franchisor and its affiliates or otherwise in default under this Agreement.

11.3 **No Product Warranties**. The products purchased by Franchisee from Franchisor or its affiliated companies shall be subject only to manufacturers' warranties. FRANCHISOR AND ITS AFFILIATED COMPANIES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY OF THE PRODUCTS PURCHASED BY FRANCHISEE.

11.4 **Changes in Product**. It is understood that Franchisor and its affiliates shall have the right, at any time and without notice, to add items to, or withdraw items from, the list of products; to add to or delete from the list of approved suppliers of products; to revise any product; and to change the prices, discounts, or terms of sale of any product, provided, however, no such changes in prices, discounts or terms shall affect accepted orders pending with Franchisor and its affiliates at the time of change.

12. ROYALTIES

12.1 **Monthly Royalty**. Franchisee shall pay to Franchisor a monthly royalty ("**Royalty**") equal to 7% of the total amount of its "Gross Sales" (defined in Section 12.2 below), generated from or through Franchisee's WITH A TWIST Business in the previous month.

12.2 **Gross Sales**. "**Gross Sales**" shall mean and include the aggregate amount of all sales of services or products of every kind or nature sold from, at or in connection with or arising out of the operation or conduct of business at the Business or, if Franchisee is an entity, arising out of the operation or conduct of any business by such entity, including sales made at or away from the Business, whether for cash or credit, but excluding all: (i) federal, state or municipal sales or service taxes collected from Clients and paid to the appropriate taxing authority; (ii) discounts that have been approved in advance by Franchisor in writing; and (iii) other exclusions as may be authorized in writing by Franchisor.

12.3 **Royalty Payments**. Royalty payments shall be made monthly and paid to Franchisor by electronic funds transfer on the day of the month Franchisor shall designate from time to time ("**Due Date**") based on total Gross Sales for all events completed in the immediately preceding month. Although Franchisee may take a deposit for services to be rendered in the future, Franchisee shall owe a Royalty on the Gross Sales for those services once they have been rendered. Franchisor reserves the right to change the manner of payment upon written notice to Franchisee to other methods including, without limitation, electronic funds transfer from Franchisee's bank account. No later than 30 days prior to the opening of the Business and upon 30 days' prior written notice at any time during this Agreement, Franchisee shall provide the electronic funds transfer information requested by Franchisor and execute an Authorization Agreement for Preauthorized Payments in the form attached to this Agreement as Exhibit IV to allow for the payment and for the electronic transfer of funds from Franchisee's bank account to Franchisor's bank account of Royalties, National Marketing Contributions and other amounts owed (including any past due or delinquent amounts) by Franchisee to Franchisor arising from or relating to this Agreement. No later than the Due Date of each month, Franchisee shall report to Franchisor by electronic means or in written form, as may be reasonably directed by Franchisor, with such information and pursuant to such standard transmittal procedures regarding Franchisee's Gross Sales and such additional information as may be requested by Franchisor. Franchisor shall have the right to verify such Royalty payments from time to time as it deems necessary, in any reasonable manner. If Franchisee fails to have sufficient funds in its bank account or otherwise fails to pay any Royalties as of the Due Date, Franchisee shall, in addition to such Royalties, owe a $100 late fee to be automatically assessed and debited or paid along with the late debit or payment of Royalties. In addition, Franchisor shall have the right to charge interest on any payments made after the Due Date at the highest applicable legal rate for open account business credit, not to exceed 1.5% per month. Franchisee acknowledges that this Section 12.3 shall not constitute Franchisor's or its affiliates' agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance operation of the Business. In no event shall Franchisee be required to pay a late payment and/or interest at a rate greater than the maximum interest rate permitted by applicable law.

12.4 **Application of Payments**. Notwithstanding any designation by Franchisee, Franchisor shall have sole discretion to apply any payments by Franchisee, and any credits received by Franchisor on Franchisee's behalf from third party vendors, to any of Franchisee's past due indebtedness to Franchisor for Royalties, National Marketing Contributions, product purchases from Franchisor or its affiliates, interest or any other indebtedness. Franchisee acknowledges that Franchisor has the right to set-off any amounts Franchisee may owe to Franchisor against any amounts Franchisor might owe to Franchisee.

13. ADVERTISING

13.1 **Approval of Advertising**. Franchisee shall obtain Franchisor's prior written approval of all written advertising or other marketing or promotional programs regarding the WITH A TWIST Business, including, without limitation, online advertising, newspaper ads, flyers, brochures, magazines, coupons, direct mail pieces, specialty and novelty items and radio, television. See Section 13.5 below for more information regarding electronic advertising. Franchisee shall also obtain Franchisor's prior written approval before using any promotional materials as may be provided by vendors. The proposed written advertising or a description of the marketing or promotional program shall be submitted to Franchisor at least 30 days prior to publication, broadcast or use. Franchisee acknowledges that advertising and promoting the WITH A TWIST Business in accordance with Franchisor's standards and specifications is an essential aspect of the Licensed Methods, and Franchisee agrees to comply with all advertising standards and specifications. Franchisee shall only contact referral sources and advertise its WITH A TWIST Business inside the Protected Territory. Franchisee is prohibited from proactively generating leads and marketing outside the Protected Territory, and shall not contact or market to event centers, venues or other third parties located outside the Protected Territory. Franchisee shall use all required advertising, promotional and other marketing materials in its WITH A TWIST Business and in the manner prescribed by Franchisor. Franchisee agrees to participate in any mandatory gift card or customer loyalty card programs implemented by Franchisor in accordance with all of Franchisor's standards and specifications. Franchisee acknowledges and agrees that participation in a gift card or customer loyalty card program, whether voluntary or required, may require Franchisee to pay fees, enter into agreements or purchase equipment or other products or services from Franchisor or from a designated third-party supplier.

13.2 **National Marketing Contribution**. Franchisor reserves the right to require that Franchisee make contributions to an advertising fund established by Franchisor ("**National Marketing Fund**") in amounts of up to 1% of the total amount of Franchisee's Gross Sales ("**National Marketing Contribution**"). Franchisor does not currently collect National Marketing Contributions, but reserves the right to do so upon 180 days' notice to Franchisee. If established, the National Marketing Contribution shall be paid to Franchisor in addition to Royalties and in addition to any amounts spent on local or regional advertising, and the following terms and conditions shall apply:

a. The National Marketing Contribution shall be payable concurrently with (or on another designated Due Date), and in the same manner as, the payment of the Royalties as described in Section 12.3.

b. Franchisor may change the amount of the National Marketing Contribution from time to time (but not to exceed 1% of Franchisee's Gross Sales) by providing Franchisee with at least 30 days prior written notice.

c. Franchisor shall have the right to verify National Marketing Contribution payments from time to time as it deems necessary, in any reasonable manner.

d. The National Marketing Contributions will be subject to the same late charges and interest as the Royalties, in an amount and manner set forth in Section 12.3 above.

e. Upon the request of Franchisee, Franchisor will make available to Franchisee, no later than 120 days after the end of each fiscal year, an unaudited financial statement which indicates how the National Marketing Fund has been spent.

f. Franchisor shall direct all advertising and marketing programs financed by the National Marketing Fund, with sole discretion over the creative concepts, materials and

endorsements used therein, geographic, market and media placement and allocation, and the administration thereof. Franchisee agrees that the National Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials, and Electronic Advertising (as defined in Section 13.5), including Website design and maintenance and communication by social media and electronic mail; agency costs and commissions; securing and paying for celebrity endorsements; implementing and administering gift card and stored value card programs and customer loyalty programs; employee incentives and retention programs; training programs; administering multi-regional advertising programs, including, without limitation, purchasing and placing direct mail and other media advertising and employing advertising agencies and in-house staff to assist therewith; and supporting public relations, market research, brand recognition, third-party shopping services, and other advertising and marketing activities.

g. The National Marketing Fund shall be accounted for separately from Franchisor's other funds and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs, salaries and overhead as Franchisor may incur in activities related to the administration of the National Marketing Fund and the implementation of its programs, including, without limitation, conducting market research, incurring related accounting and legal expenses, preparing material and collecting and accounting for National Marketing Fund contributions. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contribution of all WITH A TWIST Businesses to the National Marketing Fund in that year and the National Marketing Fund may borrow from Franchisor or other lenders to cover deficits or cause the National Marketing Fund to invest any surplus for future use. All interest earned on monies contributed to the National Marketing Fund will be first used to pay costs. The National Marketing Fund may be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor necessary to administer the National Marketing Fund pursuant to this Section 13.2.

h. Franchisee understands and acknowledges that the National Marketing Fund is intended to maximize recognition of the Marks and support of WITH A TWIST Businesses. Although Franchisor will endeavor to utilize the National Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all WITH A TWIST Businesses, Franchisor undertakes no obligation to ensure that expenditures by the National Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions by WITH A TWIST Businesses operating in that geographic area or that any WITH A TWIST Business will benefit directly or in proportion to its contribution from the development of advertising and marketing materials or the placement of advertising. The National Marketing Fund is not a trust fund, and Franchisor does not owe Franchisee a fiduciary duty with respect to the maintenance, direction or administration of the National Marketing Fund. Except as expressly provided in this Section 13.2, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the National Marketing Fund.

i. Franchisor reserves the right to terminate the National Marketing Fund, upon 30 days' written notice to Franchisee. All unspent monies on the date of termination shall be distributed to Franchisor's franchisees in proportion to their respective contributions to the National Marketing Fund during the preceding 12 month period. Franchisor shall have the right to reinstate the National Marketing Fund upon the same terms and conditions set forth herein upon 30 days' prior written notice to Franchisee.

13.3 **Local Advertising**. Each calendar month, Franchisee shall spend the greater of (a) 1% of its monthly Gross Sales, or (b) $300, on local advertising in each of Franchisee's Protected Territories to create

public awareness of Franchisee's WITH A TWIST Business. Franchisee will submit to Franchisor an accounting of the amounts spent on advertising within 20 days following the end of each calendar quarter. Franchisee shall obtain Franchisor's prior written approval of all written advertising and promotional materials before publication. If Franchisee fails to spend the minimum amount on local advertising, this Agreement will be subject to termination under Section 19.2 below or, in Franchisor's sole discretion, Franchisor may purchase local advertising for Franchisee and Franchisee will be obligated to reimburse Franchisor for all such purchases.

13.4 Grand Opening Campaign. Franchisee shall conduct a grand opening advertising and follow up marketing campaign ("**Grand Opening Campaign**") for Franchisee's WITH A TWIST Business which commences on or before the date that Franchisee's WITH A TWIST Business opens for business. Franchisee shall spend a minimum of $2,000 on the Grand Opening Campaign over the first four (4) months that Franchisee's WITH A TWIST Business is open and operating. All of Franchisee's grand opening advertising and promotional materials shall be subject to Franchisor's prior written approval.

13.5 Electronic Advertising. Franchisee shall not develop, create, contribute to, distribute, disseminate or use any electronic or Internet communication, including blogs, instant message services, social media sites such as Instagram, Twitter, and Facebook, all other electronic communications methods, or any multimedia, telecommunications, mass electronic mail messages, facsimile or audio/visual advertising, promotional or marketing materials ("**Electronic Advertising**"), directly or indirectly related to the WITH A TWIST Business, the Marks, the Licensed Methods, other franchisees, other WITH A TWIST Businesses, Franchisor, its employees and affiliates, without Franchisor's prior written consent which may be withheld in Franchisor's sole discretion. Franchisee acknowledges and agrees that it will not post a blog, create or contribute to a website, engage in any type of social networking or conduct any type of Internet communication that refers to the Marks, the Licensed Methods, Franchisor, its affiliates and employees, any WITH A TWIST Businesses or other franchisees without Franchisor's prior written permission. Franchisor shall retain the exclusive right to develop, publish and control the content of all Electronic Advertising for WITH A TWIST Businesses. Franchisee acknowledges that Franchisor shall own all Electronic Advertising related to or associated with the Marks and Licensed Methods including, without limitation, databases of Client contact information and other Client information. Franchisor reserves the right, upon 30 days' prior written notice, to require Franchisee to: (a) participate in any Electronic Advertising of WITH A TWIST Businesses sponsored by Franchisor; or (b) create, customize, change, delete or provide access to any websites, any social media or networking account, telecommunications or audio/visual advertising, promotional or marketing material as part of the Electronic Advertising. Franchisor shall retain the exclusive right to develop and control the content of all Electronic Advertising for the WITH A TWIST Business. If Franchisor permits Franchisee to develop any Electronic Advertising, Franchisee shall do so in strict compliance with Franchisor's policies and rules regarding the creation, maintenance, use, publication and content of such Electronic Advertising as set forth in this Agreement or the Operations Manual. Franchisee shall not publish any of Franchisor's confidential information on the Internet, and Franchisee shall not publish any of Franchisor's copyrighted material or information containing the Marks or any of the Licensed Methods on the Internet without Franchisor's prior written permission; nor shall Franchisee assist any other party in doing so. Any amounts that Franchisee spends to participate in Electronic Advertising shall be credited toward Franchisee's local advertising obligations.

13.6 Online Marketing, Web and Tech Fee. To promote the WITH A TWIST brand, Franchisor shall maintain the WITH A TWIST Website. Franchisor will also secure search engine optimization and other services dedicated to the promotion of the WITH A TWIST brand and Franchisee's WITH A TWIST Business. Franchisor shall also provide Franchisee with an account for the CRM System, through which Franchisee shall manage and record the Mobile Bartending Services Franchisee provides to Clients. For the provision of the services described in this Section and in Section 5.2 above, Franchisee must pay Franchisor a monthly "Online Marketing, Web and Tech Fee," which is currently $490 per month and subject to annual

increase. Payment of the Online Marketing, Web and Tech Fee to Franchisor will begin on the 15th of the first full month after Franchisee's (or, if applicable, the Principal Manager's) completion of Franchisor's initial training program and on the 15th of the month thereafter during the term of this Agreement. Should Franchisee's Protected Territory exceed a population of 1,000,000, Franchisee shall pay an additional $50 per month for each additional 1,000,000 in the Protected Territory (e.g., a franchisee with a Protected Territory with a population of 2,600,000 would pay $590 per month).

14. QUALITY CONTROL

14.1 **Compliance with Operations Manual**. Franchisee shall maintain and operate the WITH A TWIST Business in compliance with this Agreement and the standards and specifications contained in the Operations Manual, as the same may be modified from time to time by Franchisor.

14.2 **Standards and Specifications**. Franchisor will make available to Franchisee standards and specifications for services and products (including, without limitation, specific brands) offered at or through the WITH A TWIST Business and for the Franchised Location, vehicles, trailers, equipment, fixtures, products offered for sale, products used, inventory policies, employee or staff attire, supplies, forms, advertising material and other items used in connection with the Business. Franchisor reserves the right to change standards and specifications for services and products offered at or through the WITH A TWIST Business and for the Franchised Location, equipment, furniture, fixtures, inventory policies, products offered for sale and used, employee or staff attire, supplies, forms, advertising material and other items used in connection with the Business, upon 30 days prior written notice to Franchisee. Franchisee shall, at Franchisee's expense and throughout the term of this Agreement, remain in compliance and strictly adhere to all of Franchisor's current standards and specifications for the WITH A TWIST Business as prescribed from time to time. Franchisee acknowledges that compliance with the Operations Manual is vitally important to Franchisor and other WITH A TWIST franchisees and is necessary to protect the reputation and goodwill of the Marks and to maintain a uniform quality of operation throughout the WITH A TWIST system. However, while the Operations Manual is designed to protect the reputation and goodwill of the Marks, it is not designed to control the day-to-day operation of the WITH A TWIST Business.

14.3 **Inspections**. Franchisor shall have the right to examine the Franchised Location, including the services offered and the manner in which those services are provided, inventory, products, equipment, furniture, fixtures, materials, supplies or services used or sold there, to ensure compliance with all standards and specifications set by Franchisor. Franchisor shall conduct such inspections during regular business hours and Franchisee may be present at such inspections. Franchisor, however, reserves the right to conduct the inspections without prior notice to Franchisee.

14.4 **Restrictions on Products and Services**. Franchisee is prohibited from offering or selling any products (including, without limitation, brands) or services not authorized by Franchisor as being a part of the Licensed Methods. If Franchisee proposes to offer, conduct or utilize any products, brands, services, materials, forms, items, supplies or services for use in connection with or sale through the WITH A TWIST Business which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first notify Franchisor in writing requesting approval. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of specifications, information, or samples of such products, brands, services, materials, forms, items or supplies. Franchisee shall pay and/or reimburse Franchisor for the reasonable costs of investigation in determining whether such products, brands, services, materials, forms, items or supplies meet Franchisor's specifications. Franchisor will advise Franchisee within a reasonable time whether such products, brands, services, materials, forms, items or supplies meet Franchisor's specifications.

14.5 **Approved Suppliers**. Franchisee shall purchase all products (including, without limitation, specific brands), equipment, materials, supplies and services required for the operation of the WITH A TWIST Business from Franchisor, from Franchisor's affiliates, from suppliers designated or approved by Franchisor or, if there is no designated or approved supplier for a particular product, brand, piece of equipment, supply, material or service, from such other suppliers who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to the efficient operation of the WITH A TWIST Business. Franchisor reserves the right to require Franchisee to participate in and purchase inventory, products, equipment and supplies for Franchisee's Business from designated suppliers in Franchisor's "Liquor Partner Program" when and if such program is available in Franchisee's Protected Territory.

14.6 **Request to Approve Supplier**. If Franchisee desires to purchase or use products (including, without limitation, specific brands), equipment, supplies, materials or services from suppliers other than those previously approved by Franchisor, Franchisee shall, prior to purchasing from or otherwise utilizing any supplier give Franchisor a written request to approve the supplier. If Franchisor rejects Franchisee's requested new supplier, Franchisor must notify Franchisee in writing within 30 days of Franchisor's receipt of Franchisee's request to approve the supplier. Franchisor may continue from time to time to inspect any suppliers' facilities and products to assure compliance with Franchisor's standards and specifications. Permission for such inspection shall be a condition of the continued approval of such supplier. Franchisor will not unreasonably withhold approval of the supplier; however, in order to make such determination, Franchisor may require that samples from a proposed new supplier be delivered to Franchisor for testing prior to approval and use. A charge not to exceed the reasonable cost of investigation may be made by Franchisor and shall be paid by Franchisee. Approval of a supplier may be revoked upon 30 days prior written notice of the reason for revocation of the approval of a supplier.

14.7 **Shopping Service**. Franchisor reserves the right to use third party shopping services from time to time to evaluate the operation and quality of Franchisee's WITH A TWIST Business, including such things as quality of the services rendered, product availability, client service, cleanliness, merchandising and proper use of computers and registers. Franchisor may use such shopping services to evaluate Franchisee's WITH A TWIST Business at any time at Franchisor's expense, without prior notification to Franchisee. Franchisor may make the results of any such service evaluation available to Franchisee, in Franchisor's sole discretion.

15. MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

15.1 **Marks**. Franchisee acknowledges that Franchisor or Franchisor's affiliate With a Twist Inc., has the sole right to own, license and control Franchisee's use of the "WITH A TWIST" service mark and other of Marks, and that such Marks shall remain under the sole and exclusive ownership and control of Franchisor or With a Twist, Inc. Franchisee shall display the Marks prominently in connection with the operation of the Business and on items and materials and in connection with forms, advertising and marketing, all in a manner as Franchisor shall reasonably prescribe. Franchisee acknowledges that it has not acquired any right, title or interest in such Marks except for the right to use such marks in the operation of its WITH A TWIST Business as it is governed by this Agreement. Except as permitted in the Operations Manual, Franchisee shall not use any of the Marks as part of an electronic mail address, or on any sites on the Internet and Franchisee shall not use or register any of the Marks as part of a domain name on the Internet.

15.2 **No Use of Other Marks**. No service marks other than "WITH A TWIST" or such other Marks as may be specified by Franchisor shall be used in the identification, marketing, promotion or operation of the WITH A TWIST Business.

15.3 Licensed Methods. Franchisee acknowledges that Franchisor owns and controls the distinctive plan for the establishment, operation and promotion of the WITH A TWIST Business and all related licensed methods of doing business, previously defined as the "**Licensed Methods**," which include, but are not limited to, Franchisor's standards and specifications for the equipment, products, formulas, supplies, materials, inventory type and control, technical equipment standards, order fulfillment methods, client relations, marketing techniques, written promotional materials, advertising, accounting systems, and service delivery methods, all of which constitute confidential trade secrets of Franchisor. Franchisee acknowledges that Franchisor has valuable rights in and to such trade secrets. Franchisee further acknowledges that it has not acquired any right, title or interest in the Licensed Methods except for the right to use the Licensed Methods in the operation of the WITH A TWIST Business as it is governed by this Agreement and that it is obligated to maintain the confidentiality of the Licensed Methods in accordance with Section 21.3 below.

15.4 Mark Infringement. Franchisee shall notify Franchisor in writing of any possible infringement or illegal use by others of a trademark the same as or confusingly similar to the Marks or of any copyrighted work of Franchisor which may come to its attention. Franchisee acknowledges that Franchisor shall have the right, in its sole discretion, to determine whether any action will be taken on account of any possible infringement or illegal use. Franchisor may commence or prosecute such action in Franchisor's own name, the name of With a Twist, Inc. and may join Franchisee as a party to the action if Franchisor determines it to be reasonably necessary for the continued protection and quality control of the Marks, Licensed Methods and copyrighted works. Franchisor shall bear the reasonable cost of any such action, including attorneys' fees. Franchisee must fully cooperate with Franchisor in any such litigation. Franchisor shall indemnify and hold Franchisee harmless from, and reimburse Franchisee for, any loss, liability, claim or damages (collectively, the "**Claims**"), and all reasonable costs, expenses and attorneys' fees incurred defending any Claims brought against Franchisee, or in any action in which Franchisee is named as a party, which arises out of or is related to Franchisee's authorized use of any Mark or copyrighted work of Franchisor, which use is in compliance with the terms of this Agreement. Franchisee shall timely notify Franchisor of any Claims for which it is seeking indemnity hereunder. Franchisor, at its option, shall be entitled to control the defense of any action or proceeding involving any Claims.

15.5 Franchisee's Business Name and Domain Name. Franchisee acknowledges that Franchisor and affiliates of Franchisor have a prior and superior claim to the "WITH A TWIST" trade name. Franchisee shall not use the words "WITH A TWIST" in the legal name of its corporation, limited liability company or any other business entity used in conducting the business provided for in this Agreement. Franchisee also agrees not to register or attempt to register an Internet domain name or a trade name with a state using the words "WITH A TWIST" unless such registration meets Franchisor's specifications and Franchisee obtains Franchisor's prior written consent. When this Agreement expires or terminates, Franchisee shall execute any assignment or other document Franchisor requires to transfer to Franchisor any rights Franchisee may possess in a trade name or an Internet domain name utilizing the words "WITH A TWIST" or any other Mark owned by Franchisor. Franchisee shall not identify itself as being "With a Twist Franchising Inc." or as being associated with Franchisor in any manner other than as a franchisee or licensee or as being associated with any affiliate of Franchisor. Franchisee shall, in all advertising and promotion and promotional materials, display its business name only in obvious conjunction with the phrase "WITH A TWIST Licensee" or "WITH A TWIST Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the WITH A TWIST Business, as may from time to time be prescribed in the Operations Manual.

15.6 Change of Marks and Licensed Methods. Franchisor may in its sole discretion, discontinue, change, modify or alter the Marks and the Licensed Methods by among other things, adopting or developing new trademarks, trade names, service marks, copyrighted materials, new services or products, new furnishings, equipment, new signage or new operational techniques ("**Alterations**"). If Franchisor shall

make any Alterations to the Marks or Licensed Methods, Franchisee shall, within a reasonable time after receipt of written notice of such Alteration from Franchisor, take such action, at Franchisee's sole expense, as may be necessary to comply with such required Alteration. Franchisee shall not unilaterally change, alter or modify the Marks or Licensed Methods in any way without Franchisor's prior written consent which may be withheld in Franchisor's sole discretion. Franchisee's approved changes or improvements to the Licensed Methods or the Marks shall inure to the exclusive benefit of Franchisor.

15.7 Creative Ownership. All copyrightable works created by Franchisee or any of its owners, officers, independent contractors, or employees in connection with the Business shall be the sole property of Franchisor. Franchisee assigns all proprietary rights, including copyrights, in these works to Franchisor without additional consideration. Franchisee hereby assigns and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the Business, during the term of this Agreement, as Franchisor may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to Franchisor all right, title, and interest in said property. Franchisee shall promptly disclose to Franchisor all inventions, discoveries, improvements, creations, patents, copyrights, trademarks and confidential information relating to the Businesses and the Licensed Methods which it or any of its owners, officers, independent contractors or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, Franchisee acknowledges and agrees that any improvements or modifications directly or indirectly related to the Business, whether or not copyrightable, shall be deemed to be a part of the Licensed Methods and shall inure to the benefit of Franchisor.

15.8 Alterations for Protection of Marks. Franchisor may, in its sole discretion but with reasonable notice to Franchisee, enter into the Franchised Location to make any Alterations required for the protection of the Marks and Licensed Methods if Franchisee refuses to make any Alterations required by the Operations Manual or under the terms of this Agreement. If Franchisor elects to make such Alteration on Franchisee's behalf, Franchisor reserves the right to charge Franchisee for all expenses incurred by Franchisor in connection with such Alteration including Franchisor's travel, lodging, living expenses, telephone charges and other identifiable expenses (such as construction and materials), plus a fee based on the time spent by each of Franchisor's employees or agents on behalf of Franchisee.

16. REPORTS, RECORDS AND FINANCIAL STATEMENTS

16.1 Franchisee Reports. Franchisee shall keep and supply to Franchisor such reports in a manner and form as Franchisor may, from time to time, reasonably require, including all monthly reports that shall accompany Franchisee's monthly Royalty and, if applicable, National Marketing Contribution payments. Franchisee shall establish and maintain, at its own expense, bookkeeping, accounting and data processing systems which conform to the specifications that Franchisor may prescribe from time to time and which comply with all applicable federal and state data privacy laws. As of the date of this Agreement, Franchisee is required to use an accounting and bookkeeping software, the WAT Software, and the designated customer relationship management system ("**CRM System**") in the operation of its WITH A TWIST Business. Each transaction of the Business shall be processed in the manner prescribed by Franchisor. Franchisor shall have the right of independent access to all data with respect to the Business. Franchisee acknowledges and agrees that Franchisor shall be deemed to own all Client data held by Franchisee's Business from time to time. Franchisor reserves the right to require Franchisee to provide Franchisor with access to Franchisee's data by installing a modem or joining and paying for an electronic network connection service which meets Franchisor's standards and specifications. Franchisee shall supply to Franchisor such types of reports in a manner and form as Franchisor may from time to time reasonably require, including:

a. by a designated day of each month a report on the Business's Gross Sales for the previous month;

b. monthly financial statements, prepared in accordance with Generally Accepted Accounting Principles ("**GAAP**"), consistently applied, using the forms and chart of accounts as prescribed by Franchisor, which shall include a profit and loss statement and balance sheet for the WITH A TWIST Business or for Franchisee entity, mailed or otherwise forwarded to Franchisor by no later than the 15th day following the end of the month, based on operating results of the previous month, which shall be submitted in a form approved by Franchisor;

c. within 15 days after the end of each calendar quarter, a report on Franchisee's local advertising expenditures, as further described in Section 13.3 of this Agreement and in Franchisor's recommended format;

d. within 90 days after the end of Franchisee's fiscal year, a balance sheet and profit and loss statement prepared in accordance with GAAP, consistently applied, for the Business for such year;

e. within 10 days after such returns are filed, exact copies of federal and state income, sales and any other tax returns and such other forms, records, books and other information as Franchisor may periodically require; and

f. any other data, information and supporting records reasonably requested by Franchisor from time to time, including without limitation, daily, weekly or monthly reports of sales.

16.2 Financial Records Use and Access. Franchisor reserves the right to disclose data derived from all financial and accounting reports received from Franchisee to the other franchisees and affiliates in the WITH A TWIST system with information identifying Franchisee. Franchisor also reserves the right to disclose data derived from Franchisee's financial and accounting reports to parties outside of the WITH A TWIST system, without identifying Franchisee, except to the extent identification of Franchisee is required by law. Franchisee consents to Franchisor obtaining financial and account information regarding the Business and its operations from third parties with whom Franchisee does business, as and when deemed necessary by Franchisor.

16.3 Verification. Each report and financial statement to be submitted to Franchisor pursuant to this Agreement shall be signed manually or electronically, as the case may be, and verified by Franchisee.

16.4 Books and Records. Franchisee shall maintain all books and records for its WITH A TWIST Business in a manner as reasonably prescribed by Franchisor, shall prepare all annual balance sheets and profit and loss statements in accordance with GAAP, consistently applied, and shall preserve these records for at least five years after the fiscal year to which they relate.

16.5 Audit of Books and Records. Franchisee shall permit Franchisor to inspect and audit the books and records of the WITH A TWIST Business at any reasonable time, at Franchisor's expense. If any audit discloses a deficiency in amounts for payments owed to Franchisor pursuant to this Agreement, then such amounts shall become immediately payable to Franchisor by Franchisee, with interest from the date such payments were due at the lesser of 1½% per month or the maximum rate allowed by law. If Franchisee (1) fails to furnish required reports or supporting records on a timely basis for two or more consecutive reporting periods; (2) fails to have the books and records available for an audit after receiving reasonable, advance notice from Franchisor; (3) otherwise fails to cooperate with Franchisor's requested audit, or (4)

understates its Gross Sales for the period of any audit by greater than 3%, then Franchisee shall reimburse Franchisor for the cost of such audit or inspection, including, without limitation, the charges of attorneys and any independent accountants and the travel expenses, room and board and compensation of Franchisor's employees.

17. TRANSFER

17.1 **Transfer by Franchisee**. The franchise granted herein is personal to Franchisee and, except as stated below, Franchisor shall not allow or permit any transfer, assignment, subfranchise or conveyance of this Agreement or any interest hereunder. As used in this Agreement, the term "**transfer**" shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift, merger, consolidation, exchange or other disposition by Franchisee (or any of its owners) of any interest in: (1) this Agreement; (2) the ownership of Franchisee, if Franchisee is an entity or consists of more than one individual; or (3) the Business or any assets of the Business. A "**transfer**" shall also include all transfers resulting from a divorce, insolvency, corporate or partnership dissolution proceeding, consolidation, exchange, public or private offering of stock or other ownership interests in an entity, merger or otherwise by operation of law or, in the event of the death of Franchisee, or an owner of Franchisee by will, declaration of or transfer in trust or under the laws of intestate succession. Under no circumstances will Franchisee have a right to engage in a transfer before the WITH A TWIST Business has commenced operations.

17.2 **Pre-Conditions to Franchisee's Transfer**. Franchisee shall not engage in a transfer, as defined above, unless Franchisee obtains Franchisor's written consent and complies with the following requirements:

a. Payment of all amounts due and owing pursuant to this Agreement by Franchisee to Franchisor or its affiliates or payment of all amounts due and owing to third parties holding a security interest in any asset of the franchised business;

b. Agreement by the proposed transferee to satisfactorily complete the initial training program described in this Agreement, which training may be completed by the transferee either prior to or immediately after assignment of this Agreement;

c. Execution by the transferee of a Franchise Agreement in a form then currently offered by Franchisor, which shall supersede this Agreement in all respects. If a new Franchise Agreement is signed, the terms thereof may differ from the terms of this Agreement; provided, however, the transferee will not be required to pay any additional initial franchise fee;

d. Provision by Franchisee of written notice to Franchisor at least 90 days prior to the proposed effective date of the transfer, such notice to contain information reasonably detailed to enable Franchisor to evaluate the terms and conditions of the proposed transfer. If Franchisee is an entity and one or more owners of Franchisee entity wish to transfer, sell, assign, or otherwise dispose of his or her interest in Franchisee entity or if Franchisee entity wishes to make a public or private offer of its stock or other ownership interests, Franchisee must submit to Franchisor at least 90 days in advance of the proposed effective date, and obtain Franchisor's prior written approval, of the documents effectuating the transfer, sale, assignment, offering or disposition;

e. The proposed transferee shall have provided information to Franchisor sufficient for Franchisor to assess the proposed transferee's business experience, aptitude and financial qualification, and Franchisor shall have ascertained that the proposed transferee meets such qualifications;

f. Execution by Franchisee of a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its affiliates and their respective officers, directors, employees and agents;

g. Payment by Franchisee or the proposed transferee of a $20,000 transfer fee;

h. Neither the proposed transferee nor any of its direct or indirect owners or affiliates operates, has an ownership interest in or performs services for a Competitive Business; and

i. Agreement by Franchisee to abide by the post-termination covenant not to compete set forth in Section 21.2 below.

Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer by Franchisee which requires Franchisor's consent under this Section 17.2.

17.3 Franchisor's Approval of Transfer. Franchisor has 90 days from the date of the written notice of the proposed transfer to approve or disapprove in writing, of Franchisee's proposed transfer. Franchisee acknowledges that the proposed transferee shall be evaluated for approval by Franchisor based on the same criteria as is currently being used to assess new franchisees of Franchisor and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. If Franchisee and the proposed transferee comply with all conditions for assignment set forth herein and Franchisor has not given Franchisee notice of its approval or disapproval within the 90-day period, approval is deemed granted. Franchisor's approval of any transfer shall not constitute approval for any subsequent transfer or a waiver of any of Franchisor's rights under this Article 17.

17.4 Right of First Refusal. If Franchisee wishes to transfer its rights under this Agreement or any interest in it, or any part or portion of any business entity that owns it, or all or a substantial portion of the assets of the WITH A TWIST Business, Franchisee agrees to grant to Franchisor a 90-day right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in the written offer to purchase submitted to Franchisee by the proposed purchaser; provided, however, the following additional terms and conditions shall apply:

a. Franchisee shall notify Franchisor of such offer by sending a written notice to Franchisor (which notice may be the same notice as required by Section 17.2.d. above), enclosing a copy of the written offer from the proposed purchaser;

b. The 90-day right of first refusal period will run concurrently with the period in which Franchisor has to approve or disapprove the proposed transferee;

c. Such right of first refusal is effective for each proposed transfer and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer on which a new 90-day right of first refusal shall be given to Franchisor;

d. If the consideration or manner of payment offered by a third party is such that Franchisor may not reasonably be required to furnish the same, then Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor, whose determination will be binding upon the parties. All expenses of the appraiser shall be paid for equally between Franchisor and Franchisee; and

e. If Franchisor chooses not to exercise its right of first refusal, Franchisee shall be free to complete the sale, transfer or assignment, subject to compliance with Sections 17.2 and 17.3 above. Absence of a reply to Franchisee's notice of a proposed sale within the 90-day period is deemed a waiver of such right of first refusal.

17.5 Specific Types of Transfers. Franchisee acknowledges that Franchisor's right to approve or disapprove of a proposed sale or transfer, and all other requirements and rights related to such proposed sale or transfer, as provided for above, shall apply (1) if Franchisee is a partnership or other business association, to the addition or deletion of a partner or members of the association or the transfer of any partnership or membership among existing partners or members; (2) if Franchisee is a corporation or limited liability company, to any proposed transfer or assignment of 25% or more of the ownership interests of Franchisee, whether such transfer occurs in a single transaction or several transactions; and (3) if Franchisee is an individual, to the transfer from such individual or individuals to a corporation or limited liability company controlled by them, in which case Franchisor's approval will be conditioned upon: (i) the continuing personal guarantee of the individual (or individuals) for the performance of obligations under this Agreement; (ii) the issuance and/or transfer of ownership interests which would affect a change in ownership of 25% or more of the stock or membership units in the company being conditioned on Franchisor's prior written approval; (iii) a limitation on the company's business activity to that of operating the WITH A TWIST Business and related activities; and (iv) other reasonable conditions. With respect to a proposed transfer as described in subsection (1) and (3) of this Section, Franchisor's right of first refusal to purchase, as set forth above, shall not apply and Franchisor will waive any transfer fee chargeable to Franchisee for a transfer under these circumstances.

17.6 Assignment by Franchisor. This Agreement is fully assignable by Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and Franchisor shall in such event be fully released from the same.

17.7 Franchisee's Death or Disability. Upon the death or permanent disability of Franchisee (or the individual controlling Franchisee entity), the executor, administrator, conservator, guardian or other personal representative of such person shall transfer Franchisee's interest in this Agreement or such interest in Franchisee entity to an approved third party. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed 180 days from the date of death or permanent disability, and shall be subject to all terms and conditions applicable to transfers contained in this Article 17. Failure to transfer the interest in this Agreement or such interest in Franchisee entity within said period of time shall constitute a breach of this Agreement. For the purposes hereof, the term "**permanent disability**" shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or the owner of a controlling interest in Franchisee entity from supervising the management and operation of the WITH A TWIST Business for a period of 120 days from the onset of such disability, impairment or condition.

18. TERM AND EXPIRATION

18.1 Term. The term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein.

18.2 Continuation. If for any reason, Franchisee continues to operate the Business beyond the term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' notice or as required by law. If said hold-over period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any hold-over period, Franchisee and those in active

concert with Franchisee, including family members, officers, directors, partners and managing agents, are subject to the terms of Sections 19.3, 19.4, 21.2 and 21.3 of this Agreement and all other applicable post-termination obligations contained in this Agreement.

18.3 Rights Upon Expiration. At the end of the initial term hereof, Franchisee shall have the option to renew its franchise rights for an additional term equivalent to the term in Franchisor's then current form of franchise agreement, by acquiring successor franchise rights, if Franchisor does not exercise its right not to offer a successor franchise in accordance with Section 18.5 below and if Franchisee:

a. At least 30 days prior to expiration of the term, executes the form of Franchise Agreement then in use by Franchisor;

b. Has substantially complied with all provisions of this Agreement during the current term, including the payment on a timely basis of all Royalties, National Marketing Contributions and other fees due hereunder. "**Compliance**" shall mean, at a minimum, that Franchisee has not received any written notification from Franchisor of breach hereunder more than four times during the term hereof;

c. Upgrades and/or remodels the WITH A TWIST Business and its operations at Franchisee's sole expense (the necessity of which shall be in the sole discretion of Franchisor) to conform with the then current Operations Manual;

d. Executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement; and

e. Pays a successor franchise fee of 20% of the then current initial franchise fee for a franchise.

18.4 Exercise of Option for Successor Franchise. Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to Franchisor not later than 180 days prior to the scheduled expiration of this Agreement. Franchisee's successor franchise rights shall become effective by signing the Franchise Agreement then currently being offered to new franchisees of Franchisor. The terms of the then current franchise agreement shall govern the renewal term except that Franchisee will not have to pay another initial franchise fee.

18.5 Conditions of Refusal. Franchisor shall not be obligated to offer Franchisee a successor franchise upon the expiration of this Agreement if Franchisee fails to comply with any of the above conditions of renewal. In such event (except for failure to execute the then current Franchise Agreement or pay the successor franchise fee), Franchisor shall give notice of expiration at least 180 days prior to the expiration of the term, and such notice shall set forth the reasons for such refusal to offer successor franchise rights. Upon the expiration of this Agreement, Franchisee shall comply with the provisions of Section 19.4 below.

18.6 Consent to Option. Upon execution of this Agreement, each owner of Franchisee not otherwise signing the Guaranty and Assumption of Franchisee's Obligations, and their respective spouses, will execute a consent to the provisions of Sections 17.4 and 19.3, the form of which is attached as Exhibit V to this Agreement. Such consent will subject any interest they may have in this Agreement, in the Shop, or in Franchisee covered by the option or right of first refusal provided for in said Sections, as applicable (whether a separate property interest, joint ownership property interest, community property interest, or otherwise), to the provisions of those Sections.

19. DEFAULT AND TERMINATION

19.1 **Termination by Franchisor - Effective Upon Notice**. Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted Franchisee hereunder, without affording Franchisee any opportunity to cure any default (subject to any state laws to the contrary, where state law shall prevail), effective upon written notice to Franchisee, addressed as provided in Section 23.12 upon the occurrence of any of the following events:

a. **Abandonment**. If Franchisee ceases to operate the WITH A TWIST Business or otherwise abandons the WITH A TWIST Business for a period of three consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the WITH A TWIST Business, unless and only to the extent that full operation of the WITH A TWIST Business is suspended or terminated due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee;

b. **Insolvency; Assignments**. If Franchisee becomes insolvent or is adjudicated a bankrupt; or if any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.); or if Franchisee makes an assignment for the benefit of creditors or a receiver is appointed by Franchisee;

c. **Unsatisfied Judgments; Levy; Foreclosure**. If any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against Franchisee's business or any of the property used in the operation of the WITH A TWIST Business and is not discharged within five days; or if the real or personal property of Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable;

d. **Criminal Conviction**. If Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the Licensed Methods, Marks, goodwill or reputation thereof;

e. **Failure to Make Payments**. If Franchisee fails to pay any Royalties, National Marketing Contributions, inventory payments, product payments or any other amounts due Franchisor or its affiliates, including any amounts which may be due as a result of any subleases or lease assignments between Franchisee and Franchisor, within 10 days after receiving notice that such fees or amounts are overdue;

f. **Misuse of Marks**. If Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of Franchisor's Marks and fails to correct the misuse or failure within 10 days after notification from Franchisor;

g. **Unauthorized Disclosure**. If Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Operations Manual or any other trade secrets or confidential information of Franchisor;

h. **Repeated Noncompliance**. If Franchisee has received two previous notices of default from Franchisor and is again in default of this Agreement within a 12 month period, regardless of whether the previous defaults were cured by Franchisee;

i. **Unauthorized Transfer**. If Franchisee sells, transfers or otherwise assigns the Franchise, an interest in the Franchise or Franchisee entity, this Agreement, the WITH A TWIST Business or a substantial portion of the assets of the WITH A TWIST Business owned by Franchisee without complying with the provisions of Article 17 above;

j. **U.S. Executive Order 13224**. Franchisee or any officer, director, shareholder, limited liability company manager or member, partner, or other owner of Franchisee (as applicable) becomes subject to U.S. Executive Order 13224; or

k. **Health or Safety Problem**. Franchisee is in violation of any health or safety law, regulation, or ordinance, any order of any governmental agency, or any health or safety standard of Franchisor.

19.2 Termination by Franchisor - Thirty Days' Notice. Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30 day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30 day period. Defaults shall include, but not be limited to, the following:

a. **Failure to Maintain Standards**. Franchisee fails to maintain the then current operating procedures and adhere to the specifications and standards established by Franchisor as set forth herein or in the Operations Manual or otherwise communicated to Franchisee;

b. **Deceptive Practices**. Franchisee engages in any unauthorized business or practice or sells any unauthorized product or service under Franchisor's Marks or under a name or mark which is confusingly similar to Franchisor's Marks;

c. **Failure to Obtain Consent**. Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

d. **Territory Violation**. Franchisee violates any of Franchisor's standards regarding serving Clients at locations outside Franchisee's Protected Territory, violates Franchisor's guidelines related to the advertising and promotion of Franchisee's WITH A TWIST Business, or otherwise violates the boundaries of the Protected Territory of Franchisee's or another WITH A TWIST Business. In addition, Franchisee shall pay Franchisor's then current rates for investigative fees if Franchisee improperly services Clients at locations outside Franchisee's Protected Territory or advertises, markets or proactively generates leads outside Franchisee's Protected Territory without Franchisor's prior written permission and another franchisee complains, resulting in an investigation into the services improperly provided to Clients at locations outside of Franchisee's Protected Territory. Payment of investigative fees shall be made to Franchisor within 30 days of notification to Franchisee;

e. **Failure to Comply with Manual**. Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual;

f. **Loss or Lack of Insurance or Licenses**. Franchisee loses, or otherwise lacks, its insurance or any license required by federal, state or local authorities to operate the Business, or for any reason fails to provide to Franchisor the requisite certificates or other evidence of insurance coverage or licensure;

g. **Breach of Related Agreement**. Franchisee defaults under any term of any sublease or lease assignment for the Franchised Location, any product supply agreement, any security agreement, any other agreement material to the WITH A TWIST Business or any other Franchise Agreement or other contract between Franchisor, on the one hand, and Franchisee or a Franchisee affiliate, on the other hand, and such default is not cured within the time specified in such sublease, product supply agreement, other agreement, contract or other Franchise Agreement. Franchisor will provide Franchisee the same cure rights with respect to defaults under such other agreements with Franchisor as Franchisee has under this Agreement;

h. **Minimum Sales Requirements**. Franchisee fails to achieve and maintain the Minimum Sales Requirements and fails to cure the breach as set forth in Section 10.1.g. of this Agreement; or

i. **Failure to Comply with Applicable Laws**. Franchisee fails to operate its Business in compliance with all applicable laws and regulations of the local, state and federal governments.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within the 30-day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during the 30-day period, Franchisee shall be given an additional reasonable period of time to cure the breach, and this Agreement shall not automatically terminate without written notice from Franchisor.

19.3 Option to Purchase. Upon termination or expiration of this Agreement for any reason, Franchisor shall have the option to purchase the WITH A TWIST Business or all or a portion of the assets of the Business, which may include, at Franchisor's option, all of Franchisee's interest, if any, in and to the real estate upon which the WITH A TWIST Business is located (but only if the Business is located on non-residential real estate), and all buildings and other improvements thereon, including leasehold interests, at fair market value, less any amount apportioned to the goodwill of the WITH A TWIST Business which is attributable to Franchisor's Marks and Licensed Methods, and less any amounts owed to Franchisor by Franchisee. The following additional terms shall apply to Franchisor's exercise of this option:

a. Franchisor's option hereunder shall be exercisable by providing Franchisee with written notice of its intention to exercise the option given to Franchisee no later than the effective date of termination, in the case of termination, or at least 90 days prior to the expiration of the term of the franchise, in the case of non-renewal.

b. If Franchisor and Franchisee cannot agree on the fair market value of the WITH A TWIST Business, then the fair market value shall be determined by an independent third party appraisal. Franchisor and Franchisee shall each select one independent, qualified appraiser, and the two so selected shall select a third appraiser, all three to determine the fair market value of the WITH A TWIST Business. The purchase price shall be the median of the fair market values as determined by the three appraisers operating independently. The parties shall bear the expenses of their selected appraiser and shall evenly split the expenses of the third appraiser.

c. Franchisor and Franchisee agree that the terms and conditions of this right and option to purchase may be recorded, if deemed appropriate by Franchisor, in the real property records and Franchisor and Franchisee further agree to execute such additional documentation as may be necessary and appropriate to effectuate such recording.

d. Franchisor shall set the closing for the purchase of the WITH A TWIST Business to take place no later than 60 days after the termination or nonrenewal date. At Franchisor's option,

Franchisee shall continue the Business operations by extension of this Agreement through the closing date. Franchisor will pay the purchase price in full at the closing, or, at its option, in 12 equal consecutive monthly installments with interest at a rate of 10% per annum. Franchisee must sign all documents of assignment and transfer as are reasonably necessary for purchase of the WITH A TWIST Business or its assets by Franchisor.

e. If Franchisor does not exercise Franchisor's right to purchase Franchisee's WITH A TWIST Business as set forth above, Franchisee will be free to keep or to sell, after such termination or expiration, to any third party, all of the physical assets of its WITH A TWIST Business; provided, however, that all appearances of the Marks and Franchisor's color scheme and trade dress are first removed in a manner approved in writing by Franchisor.

19.4 Obligations of Franchisee Upon Termination or Expiration. Franchisee is obligated upon termination or expiration of this Agreement to immediately:

a. Pay to Franchisor all Royalties, National Marketing Contributions, other fees, and any and all amounts or accounts payable then owed Franchisor or its affiliates pursuant to this Agreement, or pursuant to any other agreement, whether written or oral, including subleases and lease assignments, between the parties;

b. Cease to identify itself as a WITH A TWIST franchisee or publicly identify itself as a former Franchisee or use any of Franchisor's trade secrets, signs, symbols, devices, trade names, trademarks or other materials;

c. If Franchisor does not exercise its option to purchase described in Section 19.3 above, cease to identify the Franchised Location as being, or having been, associated with Franchisor and immediately cease using any proprietary mark of Franchisor or any mark in any way associated with the Marks and Licensed Methods;

d. Deliver to Franchisor all advertising materials, forms, items and other materials bearing any of the Marks or otherwise identified with Franchisor and obtained by and in connection with this Agreement;

e. Immediately deliver to Franchisor the Operations Manual and all other information, software, documents and copies thereof which are proprietary to Franchisor, including but not limited to, all Client lists and related Client information contained in computer databases or otherwise;

f. Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of Franchisor or, at the option of Franchisor, assign the same to Franchisor;

g. Notify the telephone company, cellular phone service providers and all telephone directory publishers of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer thereof to Franchisor or its designee. Franchisee acknowledges that, as between Franchisee and Franchisor, Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers and directory listings associated with any Mark. Franchisee authorizes Franchisor, and hereby appoints Franchisor and any of its officers as Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone, telecopy or facsimile machine numbers and directory listings relating to the WITH

A TWIST Business to Franchisor or its designee, should Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive of Franchisor's exclusive rights in such telephone numbers and directory listings and Franchisor's authority to direct their transfer;

h. If applicable, take such action as may be required to remove from the Internet all sites referring to Franchisee's former WITH A TWIST Business or any of the Marks and to cancel or assign to Franchisor, in Franchisor's sole discretion, all rights to any domain names for any sites on the Internet that refer to Franchisee's former WITH A TWIST Business or any of the Marks;

i. Immediately cease use of all email addresses provided by Franchisor to Franchisee for its employees and staff. Franchisor will allow a 30 day grace period during which all emails will be forwarded to an email address of Franchisee's choice. During that 30 day grace period, Franchisee will not be able to create new email from the Franchisor-provided email address. Senders of email to Franchisee will receive an automated response that the Franchisor email account is no longer active; and

j. Abide by all restrictive covenants set forth in Article 21 of this Agreement and, if exercised by Franchisor, Franchisor's option to purchase described in Section 19.3 of this Agreement.

19.5 State and Federal Law. THE PARTIES ACKNOWLEDGE THAT IF THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

20. BUSINESS RELATIONSHIP

20.1 Independent Businesspersons. The parties acknowledge that each of them is an independent businessperson, that their only relationship is by virtue of this Agreement and that no fiduciary relationship is created hereunder. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. Neither Franchisor nor Franchisee will hold themselves out to be the agent, employer or partner of the other and neither Franchisor nor Franchisee has the authority to bind or incur liability on behalf of the other. Franchisee acknowledges and agrees that Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of the Business and under no circumstances shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures which Franchisee is required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of Franchisee's Business

20.2 Payment of Other Obligations. Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, banks, other lenders, government agencies, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon Franchisee, Franchisee's property, the WITH A TWIST Business or upon Franchisor in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor). In addition, Franchisor shall not be

liable for any claims arising from labor or employment law violations committed by Franchisee or its employees.

20.3 Indemnification. Franchisee shall indemnify, defend and hold harmless Franchisor, its subsidiaries, parents and affiliates, and their respective shareholders, equity owners, partners, directors, officers, managers, members, employees, agents, representatives, successors and assigns (the "**Indemnified Parties**"), against, and to reimburse them for all claims, obligations, fines, suits, proceedings, demands, actions of any kind and nature, and damages described in this Section 20.3, any and all obligations described in Section 20.2 and any and all claims and liabilities directly or indirectly arising out of or is based upon or related to this Agreement, the operation of the WITH A TWIST Business or arising out of all acts and omissions of Franchisee and its employees related to labor or employment practices, failure to comply with any applicable laws or regulations, claims alleging negligence or wrongful conduct in connection with the service of alcohol in connection with Franchisee's Business, claims relating to data privacy laws or claims relating to Franchisee's use of the Marks and Licensed Methods in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties (including any claims Franchisee brings against the Indemnified Parties), including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

21. RESTRICTIVE COVENANTS

21.1 Non-Competition During Term. Franchisee acknowledges that, in addition to the training provided pursuant to this Agreement and the license of the Marks hereunder, Franchisor has also licensed commercially valuable information which comprises and is a part of the Licensed Methods, including without limitation, operations, services, systems and formulas, vendor lists, marketing, advertising and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all franchisees of Franchisor using the Marks and Licensed Methods. Therefore, other than the WITH A TWIST Business licensed herein or authorized by separate agreement with Franchisor, neither Franchisee nor any of Franchisee's officers, directors, shareholders, Principal Managers, District Managers, equity owners, members, managers or partners, nor any member of his or their immediate families, shall during the term of this Agreement:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business" as defined below;

b. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any Client or account of the WITH A TWIST Business, Franchisor's business or any other WITH A TWIST franchisee's business, by direct inducement or otherwise, to any Competitive Business by any direct inducement or otherwise.

d. The term "**Competitive Business**" as used in this Agreement shall mean any business operating or granting franchises or licenses to others to operate, a business which offers event planning services, bartending services, catering services, or some but not all of those services, or related services and products offered by WITH A TWIST Businesses. Notwithstanding the

foregoing, Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

21.2 **Post-Termination Covenant Not to Compete**. Upon termination or expiration of this Agreement for any reason, Franchisee and its officers, directors, shareholders, Principal Managers, District Managers, members, managers and/or partners agree that, for a period of two years commencing on the effective date of termination or expiration, or the date on which Franchisee ceases to conduct business, whichever is later, neither Franchisee nor its officers, directors, shareholders, Principal Managers, District Managers, members, managers and/or partners shall have any direct or indirect interest (through a member of any immediate family of Franchisee or its owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 25 mile radius of the Protected Territory, within 25 miles of the Protected Territory of any other franchised WITH A TWIST Business or, within 25 miles of the Protected Territory of any WITH A TWIST Business owned by Franchisor or affiliate of Franchisor. The restrictions of this Section shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding. Franchisee and its officers, directors, shareholders, Principal Managers, District Managers, members, managers and/or partners acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

21.3 **Confidentiality of Proprietary Information**. Franchisee and Franchisor acknowledge that the distinctive business format, plans, methods, data, processes, marketing systems, manuals, product formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of Franchisor which are developed and utilized in connection with the Licensed Methods are proprietary and confidential ("**Confidential Information**"). Such Confidential Information is unique, exclusive property and a trade secret of Franchisor and has valuable goodwill associated with it. Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor. It is understood that Confidential Information is deemed to include, without limitation, Client lists, vendor lists, formulas, systems, any and all information contained in the Operations Manual, and any information of whatever nature which gives Franchisor and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, formulas, systems or information. Franchisee further acknowledges that Franchisor has expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that any unauthorized disclosure of such Confidential Information shall cause irreparable harm to Franchisor. Consequently, Franchisee shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or Franchisee's WITH A TWIST Business, any of the Confidential Information of Franchisor or its affiliates. Franchisor and Franchisee agree that the Confidential Information does not include information that is generally available to the public.

21.4 **Confidentiality Agreement**. Franchisor requires and Franchisee agrees to cause each of its officers, directors, partners, shareholders, equity owners, members, managers, Principal Managers, District Managers and, if Franchisee is an individual, immediate family members, to execute a Nondisclosure and Noncompetition Agreement containing the above restrictions, in a form approved by Franchisor.

22. INSURANCE

22.1 **Insurance Coverage**. Franchisee shall procure, maintain and provide evidence of (i) comprehensive general liability insurance for the Franchised Location and its operations with a limit of not less than $1,000,000 combined single limit or with such greater limits or such other terms and conditions as may be described in the Operations Manual or required as part of any lease agreement for the Franchised Location; (ii) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of the law; (iii) employment practices liability insurance of not less than $500,000 to $1,000,000 per claim, including third-party liability, wage and hour defense costs and punitive and exemplary damages claims, where insurable; (iv) liquor liability insurance; (v) all-risk personal property insurance in an amount equal to at least 80% of the replacement costs of the contents and tenant improvements located at the WITH A TWIST Business; (vi) automobile liability and hired/non-owned automobile insurance covering all personnel with authority to operate a motor vehicle in an amount not less than $1,000,000; and (vii) cyber liability insurance with a limit of not less than $1,000,000 per claim. All of the required policies of insurance shall name Franchisor as an additional insured and shall provide for a 30-day advance written notice to Franchisor of cancellation. Franchisor shall have the right upon 60 days prior written notice to Franchisee to revise the coverage limits and types of required insurance described in this Section 22.1.

22.2 **Proof of Insurance Coverage**. Franchisee will provide proof of insurance to Franchisor prior to commencement of operations at its WITH A TWIST Business. This proof will show that the insurer has been authorized to inform Franchisor if any policies lapse or are cancelled. Noncompliance with the insurance provisions set forth herein shall be deemed a material breach of this Agreement; in the event of any lapse in insurance coverage, in addition to all other remedies, Franchisor shall have the right to demand that Franchisee cease operations of the WITH A TWIST Business until coverage is reinstated, or, in the alternative, pay any delinquencies in premium payments and charge the same back to Franchisee.

23. MISCELLANEOUS PROVISIONS

23.1 **Modification**. Franchisor and/or Franchisee may modify this Agreement only upon execution of a written agreement between the two parties. Franchisee acknowledges that Franchisor may modify its standards, specifications and operating and marketing procedures set forth in the Operations Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote or improve the Marks and the quality of the Licensed Methods, but under no circumstances will such modifications be made arbitrarily without such determination.

23.2 **Entire Agreement**. This Agreement, including all exhibits and addenda, and the Operations Manual, contain the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. No modifications of this Agreement shall be effective except those in writing and signed by both parties. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in the franchise disclosure document that Franchisor provided to Franchisee.

23.3 **Delegation by Franchisor**. From time to time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services. Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder.

23.4 Governing Law/Consent to Venue and Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the relationship between the parties and any claims or disputes arising therefrom shall be interpreted under the laws of the state of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors or managers (collectively, "**Franchisee Affiliates**") and Franchisor, its officers, directors, managers or sales employees (collectively, "**Franchisor Affiliates**"), all parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado, in Denver, Colorado and each waive any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado. FRANCHISOR, FRANCHISOR AFFILIATES, FRANCHISEE AND FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

23.5 Injunctive Relief. Franchisor and Franchisee shall each have the right in the proper case to obtain injunctive relief from a court of competent jurisdiction. Franchisee agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling more than $500, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee.

23.6 Effective Date. This Agreement shall not be effective until accepted by Franchisor as evidenced by dating and signing by an officer or manager of Franchisor. The effective date of this Agreement may be adjusted to an earlier date if the parties are signing it as a successor to an earlier franchise agreement in order to avoid giving Franchisee a longer term under the successor franchise agreement if the term of the prior agreement was extended until the successor agreement became effective.

23.7 Review of Agreement. Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than 14 calendar days or 10 full business days, whichever is applicable.

23.8 Attorneys' Fees. In the event of any default on the part of either party to this Agreement, in addition to all other remedies, the party in default will pay the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the aggrieved party in any legal action or other proceeding as a result of such default, plus interest at the highest rate allowable by law, accruing from the date of such default.

23.9 No Waiver. No delay, waiver, omission or forbearance on Franchisor's part to exercise any right, option, duty or power arising out of any breach or default by Franchisee or any other franchisee or developer under any of the terms, provisions, covenants or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, duty or power as against Franchisee, or as to subsequent breach or default by Franchisee. Franchisor's subsequent acceptance of any payments due to Franchisor hereunder shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms, provisions, covenants or conditions of this Agreement.

23.10 No Right to Set Off. Franchisee shall not be allowed to set off amounts owed to Franchisor for Royalties, National Marketing Contributions, fees or other amounts due hereunder, against any monies owed to Franchisee, nor shall Franchisee in any event withhold such amounts due to any alleged nonperformance by Franchisor hereunder, which right of set off is hereby expressly waived by Franchisee.

23.11 **Invalidity**. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or other arbiter of any dispute arising hereunder, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect. If the restrictions concerning the time duration, geography, affected individuals or entities, or breadth of activity contained in Article 21 are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable.

23.12 **Notices**. All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the first Section of this Agreement or at such other addresses as Franchisor or Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mail, postage prepaid, or when received via overnight delivery, as may be applicable.

23.13 **No Third-Party Beneficiaries**. Franchisee acknowledges and agrees that neither Franchisee nor any of its officers, directors, members, managers, employees, staff, affiliates, successors or assigns shall be deemed a third-party beneficiary of any agreement between Franchisor and another franchisee or any other party, unless specifically agreed to by Franchisor in writing.

23.14 **Survival of Provisions**. Any provisions that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

23.15 **Payment of Taxes**. Franchisee shall reimburse Franchisor, or its affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected or paid by Franchisor, or its affiliates or designees, on account of services or goods furnished by Franchisor, its affiliates or designees, to Franchisee through sale, lease or otherwise (except for any taxes Franchisor or its affiliates are required by law to collect from Franchisee with respect to products purchased from Franchisor and its affiliates), or on account of collection by Franchisor of the initial franchise fee, Royalties, National Marketing Contribution or any other payments made by Franchisee to Franchisor required under the terms of this Agreement.

23.16 **Cumulative Rights**. The rights and remedies of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce.

23.17 **No Waiver; No Disclaimer**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth.

WITH A TWIST FRANCHISING INC.

By:_____

Name:_____

Title:_____

FRANCHISEE:

_____
(Print Name)

_____
Individually

Address:_____

City:_____

State:_____ Zip:_____

OR:

(if a corporation or partnership)

_____
Company Name

By:_____

Name:_____

Title:_____

Address:_____

City:_____

State:_____ Zip:_____

EXHIBIT I
TO FRANCHISE AGREEMENT

ADDENDUM TO
WITH A TWIST FRANCHISING INC.
FRANCHISE AGREEMENT

1. **Protected Territory**. The "**Protected Territory**" referred to in Section 3.1 of the Agreement shall be described as _____
_____

2. **Franchised Location**. The "**Franchised Location**," set forth in Section 3.1 of the Agreement shall be: _____

3. **Initial Franchise Fee**. Franchisee shall pay to Franchisor an initial franchise fee of $_____, due and payable in the manner set forth in Section 4.1 of the Agreement.

4. **Additional Protected Territories**. This Section 4 shall apply as follows:

a. If Franchisee has previously signed three Franchise Agreements and this Agreement represents the fourth Franchise Agreement signed by Franchisee, Franchisor agrees to waive the Online Marketing, Web and Tech Fee which is payable under Section 13.6 of this Agreement (for purposes of clarification, Franchisee remains obligated to pay the Online Marketing, Web and Tech Fee under all prior Franchise Agreements). Although it is Franchisor's current practice to waive payment of the Marketing, Web and Tech Fee as described above, Franchisor reserves the right to require Franchisee to commence payment of the Marketing, Web and Tech Fee upon delivery of at least 60 days' prior written notice to Franchisee or immediately if Franchisee is in default under this Agreement or any other Franchise Agreement.

b. If Franchisee has previously signed a Franchise Agreement, Franchisor waives the requirement that Franchisee spend a minimum of $2,000 on the Grand Opening Campaign described in Section 13.4 of this Agreement for additional Protected Territories (the requirement to spend this $2,000 minimum would only occur in connection with the first Franchise Agreement signed by Franchisee). For purposes of clarification: (a) Franchisee will remain obligated to perform its local advertising obligations under Section 13.3 of this Agreement upon the date Franchisee opens its WITH A TWIST Business, and (b) Franchisor's obligations under Section 7.1.f. shall not apply.

5. **Acknowledgement**. By executing this Exhibit and/or the Rider hereto, Franchisee acknowledges that Franchisor's approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a WITH A TWIST Business or for any other purpose and that Franchisee's acceptance of a franchise for the operation of a WITH A TWIST Business at the site is based on its own independent investigation of the suitability of the site.

[Signature Page to Follow]

Fully executed this _____ day of _____, 20___.

WITH A TWIST FRANCHISING INC.

By: _____

Title: _____

FRANCHISEE

By:_____

Title:_____

EXHIBIT I-1
TO FRANCHISE AGREEMENT

RIDER TO ADDENDUM

1. Legal Address. The business address for any notices mailed pursuant to Section 23.12 of the Agreement shall be changed to read as follows: _____.

Fully executed this _____ day of_____, 20___.

WITH A TWIST FRANCHISING INC.

By: _____

Title: _____

FRANCHISEE

By:_____

Title:_____

EXHIBIT II
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**") by WITH A TWIST Franchising Inc. (the "**Franchisor**"), each of the undersigned hereby personally and unconditionally:

Guarantees to Franchisor and its affiliates and their respective successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee as that term is defined in the Agreement (the "**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Franchisor and its affiliates of the foregoing undertakings;

2. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

4. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

6. His or her direct and immediate liability under this guaranty shall be joint and several;

7. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

8. This liability shall not be contingent or conditioned upon pursuit by Franchisor or its affiliates of any remedies against Franchisee or any other person;

9. He or she will be bound by the covenant not to compete and other restrictive covenants, the confidentiality provisions, the audit provisions, and the indemnification provisions contained in the Agreement;

10. This liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor or its affiliates may from time to time grant to Franchisee or to any other person; including, without limitation, the acceptance of any partial payment or performance, or the

compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including renewals thereof; and

11. Such liability shall not be diminished, relieved or otherwise affected by the occurrence of any of the following events: (a) the commencement by Franchisee of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended or replaced, or any other applicable federal or state bankruptcy, insolvency or other similar law (collectively, the "**Bankruptcy Laws**"), (b) the consent by Franchisee to the appointment of or taking possession by a receiver, liquidator, assignee, trustee or custodian of Franchisee or for any substantial part of the assets of Franchisee, (c) any assignment by Franchisee for the benefit of creditors, (d) the failure of Franchisee generally to pay its debts as such debts become due, (e) the taking of corporate action by Franchisee in the furtherance of any of the foregoing, or (f) the entry of a decree or order for relief by a court having jurisdiction in respect of Franchisee in any involuntary case under the Bankruptcy Laws, or appointing a receiver, liquidator, assignee, custodian or trustee of Franchisee or for any substantial part of its assets, or ordering the winding-up or liquidation of any of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days. In addition, such liability shall not be affected or impaired by any payment made to Franchisor under or related to the Agreement for which Franchisor is required to reimburse Franchisee pursuant to any court order or in settlement of any dispute, controversy or litigation in any bankruptcy, reorganization, arrangement, moratorium or other federal or state debtor relief proceeding;

12. His or her obligation and liability hereunder shall not be affected by any amendment or modification of the Agreement and he or she has no right to approve or consent to any such amendment or modification.

13. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this guaranty shall be interpreted under the laws of the state of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. The undersigned and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the undersigned and Franchisor, its officers, directors, managers or sales employees (collectively, "**Franchisor Affiliates**"), all parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado, in Denver, Colorado and each waive any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado. FRANCHISOR, FRANCHISOR AFFILIATES, AND THE UNDERSIGNED EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

14. In the event of any default on the part of either party to this guaranty, in addition to all other remedies, the party in default will pay the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the aggrieved party in any legal action or other proceeding as a result of such default, plus interest at the highest rate allowable by law, accruing from the date of such default.

[Signature Page to Follow]

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

GUARANTOR(S)

_____

_____

_____

_____

EXHIBIT III
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state and date of organization.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

Name and Address	Percentage Ownership	Active in Ownership (Yes/No)

State and Date of Incorporation/Organization/Formation:

State _____
Date _____

Franchisee acknowledges that this Statement of Ownership applies to the WITH A TWIST Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

_____ _____
Date Name

EXHIBIT IV
TO FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

The undersigned depositor ("**Franchisee**") agrees to electronic funds transfer from Franchisee's account designated below to the designated account(s) of With a Twist Franchising Inc. ("**Franchisor**") for payment of Royalties, National Marketing Contributions, and other obligations owed to Franchisor related to Franchisee's WITH A TWIST franchise(s).

Franchisee authorizes and requests the financial institution (the "**Bank**") to accept the payment entries presented to the Bank by Franchisor, and to deduct them from Franchisee's account without responsibility for the correctness of these payments.

Franchisee's Name: _____

Franchisee's Address: _____

Contact Name: _____

Franchisee's Bank Account Information: _____

Bank Name: _____

Bank Address: _____

Attach a voided check to this form and Franchisor will complete the following information for Franchisee:

Transit Routing Number: _____ Checking Account Number: _____

Franchisee agrees: (1) that this authorization will remain in effect for its WITH A TWIST franchise throughout the duration of the Franchise Agreement for that franchise, unless Franchisor agrees to an earlier termination of the authorization; (2) not to revoke any authorization for funds transfer prior to the termination of the applicable Franchise Agreement, without prior written consent of Franchisor; (3) that the Bank cannot cancel this authorization without receiving written consent from Franchisor; and (4) that termination of this authorization does not relieve Franchisee of its obligation to make payments to Franchisor.

If Franchisee is an entity:

_____

By: _____
Title: _____
Date: _____

If Franchisee is one or more individuals:

_____
Signature

_____
Signature

(CA 7/12/2024)

EXHIBIT V
TO FRANCHISE AGREEMENT

CONSENT TO OPTION

The undersigned owners (who are not otherwise identified as owners in the Franchise Agreement) and their respective spouses, and the undersigned spouses of those owners identified in the Franchise Agreement, hereby consent to the provisions of Sections 17.4 and 19.3 of the Franchise Agreement and agree that any interest which he or she owns in the Franchise Agreement, in the business operated thereunder, or in Franchisee (whether a separate property interest, community property interest, joint ownership interest, or otherwise) will be subject to Franchisor's option to purchase or right of first refusal, as applicable, described in said Sections.

Name of Owner	Name of Owner
Signature of Owner (if applicable)	Signature of Owner (if applicable)
Name of Owner's Spouse	Name of Owner's Spouse
Signature of Owner's Spouse	Signature of Owner's Spouse
Name of Owner	Name of Owner
Signature of Owner (if applicable)	Signature of Owner (if applicable)
Name of Owner's Spouse	Name of Owner's Spouse
Signature of Owner's Spouse	Signature of Owner's Spouse

EXHIBIT C
(TO DISCLOSURE DOCUMENT)

WITH A TWIST BUSINESSES
As of December 31, 2023

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone
Schall	Staci	Twist Events Inc.	795 McIntyre St., Suite 306	Golden	AZ	80401	303-949-6000
Gourley	Terry	Falcon Event Staffing Team Inc.	4542 Apricot Road, Unit B	Simi Valley	CA	93063	805-428-7807
Schall	Staci	Twist Events Inc.	795 McIntyre St., Suite 306	Golden	CO	80401	303-949-6000
Jamie	Conrad	WTFL LLC	5321 1st Ave S. St	St Petersburg	FL	33707	305-901-5565
Casola	Paul	PS Casola Ventures Inc.	1251 Glen Eagle Dr.	Greensboro	GA	30642	404-867-0401
Goodner	Garrison & Jenna	Crosby & Company Inc.	925 NW Hoyt Street, Unit 335	Portland	ID	97209	503-438-3131
Larkin	Ray	Bar Works LLC	361 Newbury St, Ste. 440	Boston	ME	21151	415-370-9308
Larkin	Ray	Bar Works LLC	361 Newbury St, Ste. 440	Boston	MA	2115	415-370-9308
Watson	Regina	Mayhorn & McDowell Inc.	402 Bermuda Drive	Ypsilanti	MI	48197	734-545-8005
Wilken	Jesse	The Twisted Pig Inc.	2345 175th Lane NE	Ham Lake	MN	55304	612-655-2369
Schall	Staci	Twist Events Inc.	795 McIntyre St., Suite 306	Golden	NE	80401	303-949-6000
Larkin	Ray	Bar Works LLC	361 Newbury St, Ste. 440	Boston	NH	21151	415-370-9308
Schall	Staci	Twist Events Inc.	795 McIntyre St., Suite 306	Golden	NM	80401	303-949-6000
Vodicka	Scott	V4 Victor Inc.	112 Kentbury Ln	Apex	NC	27502	919-889-7135
Barnes	Julie	M&J Events LLC	26357 Rose Road	Westlake	OH	44145	440-534-2500
Schall	Staci	Twist Events Inc.	795 McIntyre St., Suite 306	Golden	OK	80401	303-949-6000
Goodner	Garrison & Jenna	Crosby & Company Inc.	925 NW Hoyt Street, Unit 335	Portland	OR	97209	503-438-3131
Barnes	Julie	M&J Events LLC	26357 Rose Road	Westlake	PA	44145	440-534-2500
Vodicka	Scott	V4 Victor Inc.	112 Kentbury Ln	Apex	SC	27502	919-889-7135
Young	Travis	With A Twist Bartending South Dakota Inc.	1308 South Glendale Avenue	Sioux Falls	SD	57105	605-884-9771

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone
Cook	Michael	Chapter Five Inc.	1818 Pennington Drive	Murfreesboro	TN	37129	615-981-0541
Mullins	Dennis	ADDAMV LLC	8787 Legacy Drive, Apt 1160	Frisco	TX	75034	972-639-8943
Larkin	Ray	Bar Works LLC	361 Newbury St, Ste. 440	Boston	VT	21151	415-370-9308
Schall	Staci	Twist Events Inc.	795 McIntyre St., Suite 306	Golden	WY	80401	303-949-6000

EXHIBIT D
(TO DISCLOSURE DOCUMENT)

FRANCHISEES WHO HAVE LEFT THE SYSTEM
As of December 31, 2023

Listed below are the names, city, state and telephone numbers of every Franchisee who has had a franchise terminated, cancelled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement within the most recently completed fiscal year; or who has not communicated with With A Twist Franchising Inc. within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed in the future to other buyers when you leave the franchise system.

None

EXHIBIT E
(TO DISCLOSURE DOCUMENT)

WITH A TWIST FRANCHISING INC.

FINANCIAL STATEMENTS

Unaudited Financial Statements of
With A Twist Franchising Inc.
For the Period Ended August 31, 2024

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

and

Audited Financial Statements of
With A Twist Franchising Inc.
For the Years Ended December 31, 2023, 2022 and 2021

With A Twist Franchising Inc.
Balance Sheet
As of August 31, 2024

	Aug 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Operating Account - Chase 2668	134,618.87
Total Checking/Savings	134,618.87
Other Current Assets	
Amount Due from WAT Inc	272,266.43
Prepaid Commiss, net of current	64,167.00
Prepaid Commissions - ST	7,500.00
Total Other Current Assets	343,933.43
Total Current Assets	478,552.30
Other Assets	
Franchise Fee Receivable	305,500.00
Security Deposit	2,540.00
Total Other Assets	308,040.00
TOTAL ASSETS	**786,592.30**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Chase CC - 0660 (Twist)	71.64
Total Credit Cards	71.64
Other Current Liabilities	
Deferred Revenue - ST	56,570.00
Deferred Revenue,Net of Current	473,543.00
Total Other Current Liabilities	530,113.00
Total Current Liabilities	530,184.64
Total Liabilities	530,184.64
Equity	
Opening Balance Equity	-403.91
Retained Earnings	498,605.28
Shareholder Distributions	-349,095.72
Net Income	107,302.01
Total Equity	256,407.66
TOTAL LIABILITIES & EQUITY	**786,592.30**

With A Twist Franchising Inc.
Profit & Loss
January through August 2024

	Jan 24	Feb 24	Mar 24	Apr 24	May 24
Ordinary Income/Expense					
Income					
Franchise Fee Income	0.00	0.00	0.00	16,850.00	7,500.00
Royalties & Monthly Fees	30,302.03	17,477.54	16,535.30	25,991.04	20,756.64
Total Income	30,302.03	17,477.54	16,535.30	42,841.04	28,256.64
Gross Profit	30,302.03	17,477.54	16,535.30	42,841.04	28,256.64
Expense					
Advertising and Promotion	0.00	0.00	0.00	6,322.53	19.95
Bank Service Charges	82.00	117.00	50.48	47.13	37.36
Computer and Internet Expenses	198.00	198.00	0.00	0.00	0.00
Dues and Subscriptions	0.00	24.96	361.95	198.00	198.00
Gifts	0.00	116.31	0.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	0.00	0.00
Meals and Entertainment	46.71	61.71	0.00	31.49	200.23
Medical	0.00	13.60	0.00	0.00	0.00
Office Supplies	127.35	57.57	15.94	41.42	314.46
Payroll Expenses					
Admin Fee	150.00	150.00	90.00	120.00	150.00
Employer Tax	2,663.00	2,013.64	823.80	1,165.40	1,148.00
Health Benefits	1,100.07	7,548.93	-1,369.48	2,528.63	2,674.95
Salary & Wages	16,666.67	10,000.00	6,000.00	8,000.00	10,000.00
Total Payroll Expenses	20,579.74	19,712.57	5,544.32	11,814.03	13,972.95
Postage and Delivery	258.57	11.80	132.87	246.07	53.67
Professional Fees					
Franchise Consulting Fee	0.00	0.00	0.00	0.00	1,792.00
Professional Fees - Other	350.00	462.50	350.00	4,840.00	350.00
Total Professional Fees	350.00	462.50	350.00	4,840.00	2,142.00
Rent Expense	1,263.85	0.00	4,213.60	2,106.80	0.00
Travel Expenses					
Parking and Toll Fees	0.00	0.00	0.00	0.00	0.00
Travel Expenses - Other	0.00	0.00	230.00	0.00	0.00
Total Travel Expenses	0.00	0.00	230.00	0.00	0.00
Total Expense	22,906.22	20,776.02	10,899.16	25,647.47	16,938.62
Net Ordinary Income	7,395.81	-3,298.48	5,636.14	17,193.57	11,318.02
Net Income	**7,395.81**	**-3,298.48**	**5,636.14**	**17,193.57**	**11,318.02**

With A Twist Franchising Inc.
Profit & Loss
January through August 2024

	Jun 24	Jul 24	Aug 24	TOTAL
Ordinary Income/Expense				
Income				
Franchise Fee Income	30,000.00	0.00	0.00	54,350.00
Royalties & Monthly Fees	38,496.00	28,029.20	35,828.25	213,416.00
Total Income	68,496.00	28,029.20	35,828.25	267,766.00
Gross Profit	68,496.00	28,029.20	35,828.25	267,766.00
Expense				
Advertising and Promotion	0.00	0.00	0.00	6,342.48
Bank Service Charges	37.00	38.12	33.32	442.41
Computer and Internet Expenses	0.00	0.00	0.00	396.00
Dues and Subscriptions	198.00	198.00	159.00	1,337.91
Gifts	0.00	0.00	0.00	116.31
Insurance Expense	1,184.50	0.00	0.00	1,184.50
Meals and Entertainment	134.24	0.00	267.45	741.83
Medical	0.00	0.00	0.00	13.60
Office Supplies	252.81	15.94	15.94	841.43
Payroll Expenses				
Admin Fee	150.00	150.00	198.38	1,158.38
Employer Tax	1,148.00	1,070.00	1,317.42	11,349.26
Health Benefits	2,674.95	2,674.95	5,362.47	23,195.47
Salary & Wages	10,000.00	10,000.00	13,225.00	83,891.67
Total Payroll Expenses	13,972.95	13,894.95	20,103.27	119,594.78
Postage and Delivery	181.69	58.34	94.11	1,037.12
Professional Fees				
Franchise Consulting Fee	1,750.00	0.00	0.00	3,542.00
Professional Fees - Other	350.00	350.00	350.00	7,402.50
Total Professional Fees	2,100.00	350.00	350.00	10,944.50
Rent Expense	4,213.60	2,106.80	2,106.80	16,011.45
Travel Expenses				
Parking and Toll Fees	0.00	0.00	48.30	48.30
Travel Expenses - Other	0.00	839.50	341.87	1,411.37
Total Travel Expenses	0.00	839.50	390.17	1,459.67
Total Expense	22,274.79	17,501.65	23,520.06	160,463.99
Net Ordinary Income	46,221.21	10,527.55	12,308.19	107,302.01
Net Income	**46,221.21**	**10,527.55**	**12,308.19**	**107,302.01**

WITH A TWIST FRANCHISING INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023

WITH A TWIST FRANCHISING INC.
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MUHAMMAD ZUBAIRY, CPA PC
Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
With A Twist Franchising Inc.

Opinion

We have audited the financial statements of With A Twist Franchising Inc., which comprises the balance sheets as of December 31, 2023, and 2022, and the related statements of operations, and changes in shareholder's (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of With A Twist Franchising Inc.'s internal control. Accordingly, no such opinion is expressed.

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

Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about With A Twist Franchising Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Muhammad Zubairy, CPA PC
Westbury, NY
June 11, 2024

WITH A TWIST FRANCHISING INC.
BALANCE SHEET

ASSETS

	YEAR ENDED DECEMBER 31	
	2023	2022
Current Assets		
Cash	$ 80,917	$ 26,938
Prepaid Expenses	16,110	2,240
Contract assets	10,000	7,500
Accounts receivable	199,500	335,406
Total Current Assets	306,527	372,084
Contract assets, net of current	77,083	64,167
Security Deposit	2,540	2,540
Total Assets	$ 386,150	$ 438,791

LIABILITIES AND SHAREHOLDER'S (DEFICIT)

Current Liabilities		
Contract liabilities	$ 70,870	$ 56,570
Accounts Payable and Accrued Expenses	45	2,507
Total Current Liabilities	70,915	59,077
Contract liabilities, net of current	533,756	473,543
Total Liabilities	604,671	532,620
Shareholder's (Deficit)	(218,521)	(93,829)
Total Liabilities and Shareholder's (Deficit)	$ 386,150	$ 438,791

See notes to financial statements

WITH A TWIST FRANCHISING, INC.
STATEMENT OF OPERATIONS AND SHAREHOLDER'S (DEFICIT)

	DECEMBER 31	
	2023	2022
Revenues		
Royalties	$ 303,340	$ 141,649
Franchise fees	104,487	155,007
Technology fees	-	38,760
	407,827	335,416
Operating Expenses	323,876	55,599
Net Income (Loss)	83,951	279,817
Shareholder's (Deficit) - Beginning	(93,829)	(66,346)
Shareholder's Contributions (Distributions)	(208,643)	(307,300)
Shareholder's (Deficit) - Ending	$ (218,521)	$ (93,829)

See notes to financial statements

WITH A TWIST FRANCHISING, INC.
STATEMENT OF CASH FLOW

	YEAR ENDED DECEMBER 31	
	2023	2022
Cash Flows from Operating Activities:		
Net Income (Loss)	$ 83,951	$ 279,817
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities;		
Accounts receivable	135,906	(331,878)
Prepaid Expense	(13,870)	(2,240)
Contract assets	(15,416)	(71,667)
Security Deposit	-	(2,540)
Accounts Paybale and Accrued Expenses	(2,462)	2,507
Contract liabilities	74,513	457,493
	262,622	331,492
Cash Flows from Investing Activities:		
Shareholder's Contributions (Distributions)	(208,643)	(307,300)
Net Increase in Cash	53,979	24,192
Cash - Beginning of Year	26,938	2,746
Cash - End of Year	$ 80,917	$ 26,938

See notes to financial statements

1. THE COMPANY

With A Twist Franchising Inc.**,** (the "Company") is a Colorado corporation formed in January 2020 to offer franchisees the opportunity to operate businesses which provide "event" services to clients. The menu of event services provided by a With A Twist Business includes bartending services, event staffing, event support and such other ancillary services as described in the Company's operating manual.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a With A Twist Franchising Inc. franchise, using the Company's system for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents and franchisee accounts receivable. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Income Taxes-The Company has elected to be taxed as a Sub S for federal and state income tax purposes. Income and expenses pass through to its shareholder and is reported on his individual income tax returns.

3. REVENUE RECOGNITION

The Company records revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation are amortized over the life of the related franchise agreements. Commission paid for franchises are amortized over the life of the franchise agreement. The company adopted ASC-606 and ASU 2021-02 since its inception as of January 22, 2020.

4. CONTRACT ASSETS AND LIABILITIES

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606") as adjusted by ASU 2021-02, the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2023 and 2022, were $604,626 and $530,113 respectively.

Additionally, the Company recognizes commission expense paid for the sale of franchises over the life of the respective franchise agreements. The deferred commission expenses at December 31, 2023 and 2022, were $87,083 and $71,667, respectively.

5. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through June 11, 2024, the date the financial statements were available to be issued.

WITH A TWIST FRANCHISING INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022

WITH A TWIST FRANCHISING INC.
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MONIS J. SIDDIQUI, CPA P.C.

Certified Public Accountant

917.309.5670

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
With A Twist Franchising Inc.

Opinion

We have audited the financial statements of With A Twist Franchising Inc., which comprises the balance sheets as of December 31, 2022, and 2021, and the related statements of operations, and changes in shareholder's (deficit), and cash flows for the year ending December 31, 2022 and the period starting January 22, 2021 (inception) through December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of With A Twist Franchising Inc. as of December 31, 2022, and 2021, and the results of its operations and its cash flows for the for the year ending December 31, 2022 and the period starting January 22, 2021 (inception) through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of With A Twist Franchising Inc.'s internal control. Accordingly, no such opinion is expressed.

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

Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about With A Twist Franchising Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Monis Siddiqui, CPA P.C.
Bellerose, NY
April 18, 2023

WITH A TWIST FRANCHISING INC.
BALANCE SHEET

ASSETS

	DECEMBER 31	
	2022	2021
Current Assets		
Cash	$ 26,938	$ 2,746
Prepaid Expenses	2,240	-
Prepaid Commissions	7,500	-
Accounts receivable	335,406	3,528
Total Current Assets	372,084	6,274
Prepaid Commissions, net of current	64,167	-
Security Deposit	2,540	-
Total Assets	$ 438,791	$ 6,274

LIABILITIES AND SHAREHOLDER'S (DEFICIT)

Current Liabilities		
Deferred revenue	$ 56,570	$ 7,920
Accounts Payable and Accrued Expenses	2,507	-
Total Current Liabilities	59,077	7,920
Deferred revenue, net of current	473,543	64,700
Total Liabilities	532,620	72,620
Shareholder's (Deficit)	(93,829)	(66,346)
Total Liabilities and Shareholder's (Deficit)	$ 438,791	$ 6,274

See notes to financial statements

WITH A TWIST FRANCHISING, INC.
STATEMENT OF OPERATIONS AND SHAREHOLDER'S (DEFICIT)

	DECEMBER 31	
	2022	2021
Revenues		
Royalties	$ 141,649	$ 39,347
Franchise fees	155,007	12,120
Technology fees	38,760	10,830
	335,416	62,297
Operating Expenses	55,599	59,462
Net Income (Loss)	279,817	2,835
Shareholder's (Deficit) - Beginning	(66,346)	(39,101)
Shareholder's Contributions (Distributions)	(307,300)	(30,080)
Shareholder's (Deficit) - Ending	$ (93,829)	$ (66,346)

See notes to financial statements

WITH A TWIST FRANCHISING, INC.
STATEMENT OF CASH FLOW

	DECEMBER 31	
	2022	2021
Cash Flows from Operating Activities:		
Net Income (Loss)	$ 279,817	$ 2,835
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities;		
Accounts receivable	(331,878)	(3,528)
Prepaid Expense	(2,240)	-
Prepaid Commissions	(71,667)	-
Security Deposit	(2,540)	-
Accounts Paybale and Accrued Expenses	2,507	-
Deferred revenue	457,493	32,880
	331,492	32,187
Cash Flows from Investing Activities:		
Shareholder's Contributions (Distributions)	(307,300)	(30,080)
Net Increase in Cash	24,192	2,107
Cash - Beginning of Year	2,746	639
Cash - End of Year	$ 26,938	$ 2,746

See notes to financial statements

1. THE COMPANY

With A Twist Franchising Inc.**,** (the "Company") is a Colorado corporation formed in January 2020 to offer franchisees the opportunity to operate businesses which provide "event" services to clients. The menu of event services provided by a With A Twist Business includes bartending services, event staffing, event support and such other ancillary services as described in the Company's operating manual.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a With A Twist Franchising Inc. franchise, using the Company's system for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents and franchisee accounts receivable. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of $250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Income Taxes-The Company has elected to be taxed as a Sub S for federal and state income tax purposes. Income and expenses pass through to its shareholder and is reported on his individual income tax returns.

3. REVENUE RECOGNITION

The Company records revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation are amortized over the life of the related franchise agreements. Commission paid for franchises are amortized over the life of the franchise agreement. The company adopted ASC-606 and ASU 2021-02 since its inception as of January 22, 2020.

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4. DEFERRED REVENUE AND COMMISSION EXPENSE

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606") as adjusted by ASU 2021-02, the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2022, and 2021, were $72,620 and $72,620 respectively.

Additionally, the Company recognizes commission expense paid for the sale of franchises over the life of the respective franchise agreements. The deferred commission expenses at December 31, 2022 and 2021, were $71,667 and $0, respectively.

5. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through April 18, 2023, the date the financial statements were available to be issued.

EXHIBIT F
(TO DISCLOSURE DOCUMENT)

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

$_____ [_____, _____]
Golden, Colorado

For value received, the undersigned makers, jointly and severally ("**Makers**"), promises to pay to the order of With A Twist Franchising, Inc. ("**Holder**"), at 795 McIntyre St., Suite 204, Golden, Colorado 80401, or at such other place as the Holder hereof may from time to time designate in writing, the sum of _____ and __/100 Dollars ($_____), plus interest on the unpaid principal balance at the current Applicable Federal Rate of _____ percent (___%) per annum from date hereof until paid in full. The obligations under this Promissory Note ("**Note**") shall be paid as follows:

- Payment of all accrued interest on _____, _____; and
- Payment of all accrued and unpaid interest, the full principal balance and any and all other amounts due and owing under this Note on _____, _____.

If any payment is not made within 10 days of the date on which it is due, a late charge in the amount of 5% of the payment may be assessed by Holder. Payments, when made, shall be applied first to late charges, then to accrued interest to date of payment computed upon the outstanding unpaid balances and the remainder applied to principal.

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal and interest shall be immediately due and payable, without notice or demand, upon the occurrence of any of the following events of default, provided the same shall remain uncured for a period of 10 days following written notice to the undersigned Makers: (a) failure to pay any installment of principal and/or interest when due; (b) default in the payment or performance of any liability or undertaking of any of the undersigned Makers', or of any maker, endorser or guarantor of any liability or undertaking of any of the undersigned Makers', to the Holder; (c) death, dissolution, termination of existence, insolvency or business failure of the undersigned Makers or any maker, endorser or guarantor hereof; and (d) attachment, garnishment or appointment of a receiver for any part of the property of the undersigned Makers or any maker, endorser or guarantor hereof, or assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency laws, by or against the undersigned Makers or any maker, endorser, or guarantor hereof.

The undersigned Makers, as well as all sureties, guarantors and endorsers waive presentment for payment, protest and demand, notice of protest, demand and dishonor and notice of non-payment of this Note. After maturity or in the event of default, this Note shall bear interest at the rate of fifteen percent (15%) per annum greater than that set forth above.

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Holder shall otherwise agree in writing. No delay or omission on the part of the Holder hereof in exercising any right hereunder

shall operate as a waiver of such right or a remedy on any future occasion. This Note is the joint and several obligation of all undersigned Makers, and other makers, sureties, guarantors and endorsers and is binding on them, their executors, administrators, successors and assigns.

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of Colorado and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the County of Jefferson, State of Colorado. If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any clause or provision of this Note is determined to be invalid or unenforceable, then each such provision shall first be modified to the extent necessary to make it legal and enforceable and then if necessary, second, severed from the remainder of the Note to allow the remainder of the Note to remain in full force and effect.

Any notice to be given to the Holder of this Note shall be given by first class United States Mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to the undersigned Makers. Any notice to be given to any undersigned Maker shall be given at the address(es) set forth below or such further address as shall be directed in writing to Holder.

MAKERS:

[FRANCHISEE COMPANY NAME]

By:_____ _____
Its:_____ Name:_____
Address:_____ Address:_____

EXHIBIT G
(TO DISCLOSURE DOCUMENT)

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Chapter 1. Introduction (7 pages)

1. Manual Purpose and Organization
2. DDD Notes
3. How to store info
4. Correspondence and Communication
5. Manual Terminology
6. Welcome to With a Twist
7. Mission Statement
8. Vision Statement
9. Service Offerings
10. Just the Bartender
11. Complete Bar Package
12. Company History
13. About Our Founders/Team
14. Ethical Standards
15. Legal and Regulatory
16. Confidentiality
17. Definition of Trade Secrets and Confidential Information
18. Franchise Disclosure Document (FDD) and Franchise Agreement
19. Independently Owned and Operated
20. System Compliance
21. Social media policy
22. Complete Franchisee Training
23. What Franchisees Can Expect from Corporate
24. What Corporate Expects from Franchisees
25. Change of Address

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1. Guidance in Startup Phase
2. Pre-Opening Checklist
3. Form the Business
4. G. Business Accounting Records (FDD)
    a. Hire a Lawyer or CPA
5. L. Computer Hardware and Software

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1. Financial Privacy and Confidentiality
2. Benefits of Financial Management
3. Financial Management Glossary
4. Accepted Payment Methods
5. Roles and Responsibilities
6. Hiring an Accountant
7. Accounting and Bookkeeping Methods
8. Reports
9. Daily Accounting
10. Weekly Accounting
11. Monthly Accounting
12. Quarterly Accounting
13. Annual Accounting
14. Payments to Corporate
15. Retaining and Storing Records
16. Credit Card Processing
17. Employees and Payroll
18. Taxes
19. Federal Income Tax
20. State Income Tax

Chapter 4. Team Member Management (7 pages)

1. Bartender Etiquette Brand Standards
2. Bartender Appearance Brand Standards
3. Staff Job Descriptions and responsibilities
4. Interviewing Suggestions

Chapter 5. Sales Operations (63 pages)

1. Lead Sources
2. Sales Stage and Pipeline
3. Lead Calling Method
4. Email Content
5. Event Review Call
6. Entering information in CRM
7. Creating the Proposal
8. Sending the Proposal
9. Proposal Follow Up
10. Booking Event
11. Moving Lead to Operations
12. Service and Package Overview
13. Sample Sales Email Templates

Chapter 6. Pre-Event Operations (21 pages)

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2. 60 Day Email
3. 30 Day Email
4. Three Week Call/BEO
5. Accepting Final Payment
6. One Week Confirmation Call

Chapter 7 - Event Execution (3 pages)

1. Equipment/tools to bring to event
2. Event arrival
3. Type of liquor to bring to event (broken down by type of event)
4. Bar station setup
5. Running the event
6. Cleanup and breakdown
7. Returning equipment to warehouse
8. Event Follow-up

Chapter 8 – Post Event Ops (4 pages)

1. Testimonial Email
2. Event Complete
3. Invoice Customer
4. Gratuity PP
5. Commissions
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7. Private Complete

Chapter 9. Customer Service (2 pages)

1. Customer Service Standards
2. Handling Complaints
3. Refund Policies

Chapter 10. Inventory Management (1 page)

1. Starting Inventory
2. How to Order Inventory and Supplies
3. How to Receive Inventory
4. How to Manage, Organize, and Store Inventory
5. How to Handle Incorrect or Defective Inventory
6. Inventory Checklist

Chapter 11. Marketing (20 pages)

1. Marketing Philosophy
2. National vs. Local Marketing
3. Target Demographic
4. Franchise Visibility
5. Brand Identity, Trademarks and Copyrights
6. Website
7. Obtaining Marketing Approval
8. Marketing Guidelines
9. Marketing Outlets
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Chapter 12. Social Media (8 pages)

A. What is Social Media?

B. Benefits of Social Media

C. Social Media Policy

Chapter 13. Keeping it Clean (18 pages)

1. Training Bartenders and Staff
2. Best Cleaning Practices
3. Approved Cleaning Solutions
4. How to Avoid Contamination
5. Preventing Physical Contamination
6. Ice Safety
7. Refrigeration Safety
8. Refrigerator Cleaning
9. Food Contamination
10. Preventing Physical Contamination
11. Bartender Cleaning, Sanitation, and Hygiene Practices
12. Warehouse Cleaning
13. Refrigerator Cleaning
14. General Office Cleaning Procedures/Best Practices

EXHIBIT H
(TO DISCLOSURE DOCUMENT)

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (the "**Agreement**") is made and entered into effective the _____ day of _____, 20__ by and between With a Twist Franchising Inc., a Colorado corporation ("**Company**"), located at 795 McIntyre Street, Suite 204, Golden, Colorado 80401 and _____ ("**Associate**"), who resides at _____.

RECITALS

A. The Company has developed methods for establishing and operating franchises for the operation of businesses that provide event services to clients ("**WITH A TWIST Businesses**" or "**Businesses**") which use the service mark "WITH A TWIST" and related service marks, trade names and trademarks ("**Marks**");

B. The Company has developed methods for establishing, operating and promoting Businesses pursuant to the Company's distinctive business format, plans, methods, data, processes, marketing systems, manuals, product formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Company ("**Confidential Information**") and such Confidential Information as may be further developed from time to time by the Company;

C. The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of services and products available, which goodwill and reputation have been and will continue to be of major benefit to the Company;

D. Associate is or will become involved with the Company in the capacity of an officer, partner, director, agent, Principal Manager, District Manager, employee, principal, beneficial owner or as an immediate family member of one of the foregoing persons, all of whom are associated with a WITH A TWIST Business (the "**Franchised Business**") pursuant to the terms of a Franchise Agreement between the Company and the party identified as the "Franchisee" at the end of this Agreement, and in such capacity, Associate will become privileged as to certain Confidential Information; and

E. Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with the Company.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows:

1. <u>Confidential Information</u>. Associate and the Company acknowledge that the distinctive business format, plans, methods, data, processes, marketing systems, manuals, product formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Company which are developed and utilized in connection with the operation of the Franchised Business are the Company's Confidential Information. Such Confidential Information is unique, exclusive property and a trade secret of the Company. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury

and harm to the Company. Associate further acknowledges that the Company has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Company has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. Operations Manuals as Trade Secrets. It is understood that Confidential Information, constituting "trade secrets", as used in this Agreement is deemed to include, without limitation, client lists, written information, vendor lists and any and all information contained in the Company's Operations Manual, which may be provided as one or more separate manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature which gives the Company and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, formulas or information.

3. Nondisclosure of Confidential Information. Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Franchisee, any of the Confidential Information of the Company or its affiliates.

4. Noncompetition Covenant. Associate hereby covenants and agrees that, during the term of the Franchise Agreement governing the establishment and operation of the Franchised Business, except while associated with or operating the Franchised Business in a manner authorized by the Company, neither Associate nor any member of Associate's immediate family, shall:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business;

b. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any client or account of the Franchised Business, the Company's business or any other franchisee's business, by direct inducement or otherwise, to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate, a business which offers event planning services, bartending services, catering services, or some but not all of those services, or related services and products offered by WITH A TWIST Businesses. Notwithstanding the foregoing, Associate shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

5. Post-Termination Covenant Not to Compete. Associate covenants and agrees that, for a period of two years after the effective date of termination, transfer or expiration of the Franchise Agreement for the Franchised Business, or for a period of two years after termination or cessation of Associate's relationship with the Franchised Business, whichever is later, neither Associate, nor any member of Associate's immediate family, shall have any direct or indirect interest as a disclosed or a beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 25 mile radius of the location of the Franchised Business, within 25 miles of any other franchised Business or within 25 miles of any Company or affiliate-owned Business. The restrictions of this paragraph shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter

market that represent 5% or less of the number of shares of that class of securities issued and outstanding. Associate and its officers, directors, shareholders, and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of this covenant will not deprive them of their personal goodwill or ability to earn a living.

6. **Injunction**. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. Associate agrees that the Company may obtain such injunctive relief, without posting a bond or bonds totaling more than $500, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. **Effect of Waiver**. The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns.

9. **Entire Agreement**. This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10. **Governing Law**. This instrument shall be governed by and construed under the laws of the state of Colorado.

11. **Jurisdiction and Venue**. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. **Severability**. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

13. **Attorneys' Fees**. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

COMPANY:

WITH A TWIST FRANCHISING INC.

By:_____
Title:_____

ASSOCIATE:

_____
Print Name:_____

NAME OF FRANCHISEE

_____

ASSOCIATE'S CAPACITY WITH FRANCHISED BUSINESS

_____
_____

LOCATION OF FRANCHISED BUSINESS

_____
_____

EXHIBIT I
(TO DISCLOSURE DOCUMENT)

GENERAL RELEASE

THIS GENERAL RELEASE ("**Release**") is made effective as of the ____ day of _____, 20_____ by _____ ("**Franchisee**") in favor of WITH A TWIST FRANCHISING INC., a Colorado corporation ("**Franchisor**") (collectively referred to as "**Parties**").

A. The Parties have entered into that certain Franchise Agreement dated _____ ("**Franchise Agreement**") which governs the development and operation of a WITH A TWIST business which provides event services to clients ("**WITH A TWIST Business**" or "**Business**") (to the extent not otherwise defined herein, all initial-capitalized references shall have the same meaning as set forth in the Franchise Agreement);

B. The Franchisee desires to transfer the Franchise Agreement, the ownership of the Franchisee, or the WITH A TWIST Business or some or all of the assets of the Business;

OR

B. The Franchisee desires to enter into a successor to the Franchise Agreement;

C. The Franchisor desires to consent to the Franchisee's request subject to the Franchisee's compliance with the terms and conditions set forth in the Franchise Agreement including, without limitation, the execution and delivery by the Franchisee to the Franchisor of this Release.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

1. **Release**. The Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives ("**Franchisee Affiliates**"), hereby fully and forever unconditionally releases and discharges the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as "**Franchisor Affiliates**") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever ("**Released Claims**"), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with the Franchisor or Franchisor Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release.

[APPLIES ONLY IN CALIFORNIA] 1(a) Release of Unknown Claims and Waiver of California Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that the Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is the Franchisee's and the Franchisee Affiliates' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(a) of this Release.

[APPLIES ONLY IN SOUTH DAKOTA] 1(b) Release of Unknown Claims and Waiver of South Dakota Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of this Release, such as South Dakota Codified Laws § 20-7-11, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that the Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(b) of this Release.

[APPLIES ONLY IN WASHINGTON] 1(c) Release – Applicability Under Washington Law. Notwithstanding the foregoing, this Release shall not apply to any claims under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

2. General. This Release shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado. This Release embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof, and this Release may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. Nothing in this Release is intended to disclaim any representations made by the Franchisor in the most recent franchise disclosure document provided by the Franchisor or its representatives to the Franchisee in connection with any successor to the Franchise Agreement. The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof. This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Release shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Release as though originally included. The remaining provisions of this Release shall not be affected by such modification. All provisions of this Release are binding and shall inure to the benefit of the Parties and their respective delegatees, successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Release to be made effective on the day and year first above written.

WITH A TWIST FRANCHISING INC.

By:_____
Date:_____ Name:_____
Title:_____

FRANCHISEE:

Date:_____ _____
Individually

Date:_____ _____
Individually

AND:
(if a corporation, limited liability company or partnership)

_____
Company Name

Date:_____ By:_____
Title:_____

EXHIBIT J
(TO DISCLOSURE DOCUMENT)

STATE ADDENDA AND RIDERS TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND OTHER EXHIBITS

ADDENDUM TO THE
WITH A TWIST FRANCHISING INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

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.

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

1. The following Risk Factors are added to the State Cover Page:

YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

Financial Condition. Franchisor is undercapitalized (see Item 21) and may not be able to meet preopening obligations to all franchisees.

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

Neither the Franchisor nor any person 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.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. The following statement is added to Item 5:

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

4. The following sentence is added to Item 6:

The highest interest rate in California is 10%.

5. The following paragraphs are added to the end of Item 17:

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

The California Business and Professions Code Section 20000 through 20043 provides you certain rights including (i) limitations on our ability to terminate a franchise except for good cause, (ii) restrictions on our ability to deny renewal of a franchise, (iii) circumstances under which we may be required to purchase certain inventory of a franchisee when a franchise is terminated or not renewed in violation of the statute,

and (iv) provisions relating to arbitration. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Section 31125 of the California Corporation Code requires us to give you a disclosure document, in a form and containing information as the Commissioner may by rule or otherwise require, prior to a solicitation of a proposed material modification of an existing franchise.

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

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

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

The Franchise Agreement requires application of the laws of the State of Colorado. This provision may not be enforceable under California law.

Each owner of the franchise is required to execute a personal guarantee. Doing so could jeopardize the marital assets of non-owner spouses domiciled in a community property state such as California.

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

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RIDER TO THE
WITH A TWIST FRANCHISING INC.
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

This Rider to the Franchise Agreement by and between With A Twist Franchising Inc. and Franchisee is dated _____, 20___.

1. The following statement shall be added at the end of Section 4.1:

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

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

WITH A TWIST FRANCHISING INC.

By:_____
Title:_____

_____
FRANCHISEE (Print Name)

By:_____
Title:_____

ADDENDUM TO THE
WITH A TWIST FRANCHISING INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Illinois law governs the agreements.

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

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

A National Account customer is a customer responsible for a business in more than one location. The franchisor has the exclusive right to negotiate and enter into agreements to provide services to National Account customers. You may be offered the opportunity to service a National Account. If you decline or are unable to service the account, the franchisor, an affiliate or another franchisee may provide the service with no compensation to you.

RIDER TO THE
WITH A TWIST FRANCHISING INC.
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

This Rider to the Franchise Agreement by and between With a Twist Franchising Inc. and Franchisee is dated _____, 20___.

1. The following statement shall be added at the end of Section 4.1:

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

2. Section 23.4 is deleted in its entirety and the following is substituted in its place:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, all matters regarding this Agreement shall be governed by Illinois law.

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

4. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue outside of the State of Illinois is void. However, arbitration may take place outside of Illinois.

5. Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. For info about obtaining a liquor license in Illinois, see:
https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, see:
https://www.tipscertified.com/tips-state-pages/illinois/

See: the Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. A National Account customer is a customer responsible for a business in more than one location. The franchisor has the exclusive right to negotiate and enter into agreements to provide services to National Account customers. You may be offered the opportunity to service a National Account. If you decline or are unable to service the account, the franchisor, an affiliate or another franchisee may provide the service with no compensation to you.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Illinois Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

WITH A TWIST FRANCHISING INC.

_____
FRANCHISEE (Print Name)

By:_____
Title:_____

By:_____
Title:_____

ADDENDUM TO THE
WITH A TWIST FRANCHISING INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

The following provisions apply to all Franchises offered and sold to residents of the State of Maryland and Franchises to be operated in the State of Maryland:

Item 17 is amended as follows:

a. 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.).

b. Pursuant to the Code of Maryland Regulations (COMAR) 02.02.08.16L, the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

c. You may bring any cause of action against us in any court of competent jurisdiction, including the state or federal courts of Maryland.

d. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

The following statement is added to the Franchise Disclosure Document:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RIDER TO THE
WITH A TWIST FRANCHISING INC.
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

This Rider to the Franchise Agreement by and between With A Twist Franchising Inc. and Franchisee is dated _____, 20____.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1. The following statement is added at the end of Sections 17.2.f and 18.3.d:

Provided, however, that the provision requiring the execution of a general release will not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law.

2. The following statement is added at the end of Section 23.4:

The Franchisee may commence any cause of action against the Franchisor in any court of competent jurisdiction, including the state or federal courts of Maryland. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

3. The following statement is added to the end of Sections 23.1 and 23.9:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

WITH A TWIST FRANCHISING INC.

By:_____
Title:_____

_____
FRANCHISEE (Print Name)

By:_____
Title:_____

ADDENDUM TO THE
WITH A TWIST FRANCHISING INC.
DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT K
(TO DISCLOSURE DOCUMENT)

NOTICE OF RESTRICTIVE COVENANTS

This is a Notice of Restrictive Covenants ("**Notice**") that With A Twist Franchising Inc. ("**Franchisor**") requires the undersigned prospective franchisee (the "**Prospective Franchisee**") and the undersigned Prospective Franchisee's management personnel (which includes, the Principal Manager, owners of Prospective Franchisee and other management personnel; collectively, the "**Management Personnel**") to sign and acknowledge receipt of the following documents:

1. A Franchise Agreement ("**Franchise Agreement**"), the form of which is attached as Exhibit B to the Franchise Disclosure Document ("**FDD**") provided to Prospective Franchisee as a condition of purchasing a franchise, on _____, 202__.

2. The Nondisclosure and Noncompetition Agreement ("**NDA**"), a form of which is attached as Exhibit H to the FDD, is provided to the Prospective Franchisee and the Management Personnel.

This Notice is attached to the FDD as Exhibit K. Initial capitalized terms not defined in this Notice have the respective meanings set forth in the Franchise Agreement.

Article 21 of the Franchise Agreement contains covenants of confidentiality and covenants not to compete by engaging in a similar business that could restrict Prospective Franchisee's activities during the term of the Franchise Agreement and following the termination of the Franchise Agreement. Sections 1, 3, 4 and 5 of the NDA contain a covenant of confidentiality and a covenant not to compete by engaging in a similar business that could restrict Management Personnel's activities during the term of the Franchise Agreement and following the termination of the Franchise Agreement.

Prospective Franchisee has received this Notice at least fourteen (14) days before Prospective Franchisee signs the Franchise Agreement or pays any nonrefundable consideration to Franchisor. The effective date of the Franchise Agreement shall be not less than fourteen (14) days after (i) the date of this Notice; and (ii) the date Prospective Franchisee signs the FDD Receipt.

Management Personnel have received this Notice at least fourteen (14) days before Management Personnel sign the NDA.

Prospective Franchisee and Management Personnel agree that (1) complying with the restrictions contained in the Franchise Agreement or the NDA (as applicable) will not prevent Prospective Franchisee or Management Personnel from earning a living, and (2) such restrictions are necessary and reasonable to protect Franchisor's valid interests (including, without limitation, relationships with customers, goodwill, the protection of trade secrets and other confidential information, protection from unfair competition, and other protectable interests).

Prospective Franchisee and Management Personnel understand that: (i) Franchisor's Licensed Methods, Marks, and proprietary operating systems are unique to Franchisor and of great competitive value; (ii) Franchisor has invested and continues to invest substantial resources in developing its franchise system, trade secrets, confidential information, and goodwill; and (iii) the loss of any goodwill will cause significant and irreparable harm to Franchisor.

PROSPECTIVE FRANCHISEE

Signature:_____
Name:_____
Effective Date:_____

MANAGEMENT PERSONNEL

Principal Manager:

Signature:_____
Name:_____
Effective Date:_____

Owner of Prospective Franchisee:

Signature:_____
Name:_____
Effective Date: _____

Other Management Personnel:

Signature:_____
Name:_____
Effective Date:_____

Owner of Prospective Franchisee:

Signature:_____
Name:_____
Effective Date: _____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	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 L
(TO DISCLOSURE DOCUMENT)

RECEIPT
(Keep this copy for your records.)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If With a Twist Franchising Inc. 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 that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If With a Twist Franchising Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is With A Twist Franchising Inc., located at 795 McIntyre Street, Suite 204, Golden, Colorado 80401, Telephone: 720-502-3588.

Issuance date: July 12, 2024

The franchise sellers for this offering are Tom Stemple and Anna Stemple located at 795 McIntyre Street, Suite 204, Golden, Colorado 80401, Telephone: 720-502-3588.

With a Twist Franchising Inc. authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a Disclosure Document dated July 12, 2024, and effective in the franchise registration states on the dates noted on the State Effective Dates Page, that included the following Exhibits:

A List of State Agencies/Agents for Service of Process	H Nondisclosure and Noncompetition Agreement
B Franchise Agreement	I General Release
C List of Franchisees	J State Addenda and Riders to Franchise Disclosure Document, Franchise Agreement and Other Exhibits
D Franchisees Who Have Left the System	
E Financial Statements	
F Form of Promissory Note	K Notice of Restrictive Covenants
G Operations Manual Table of Contents	L Receipts

Date:_____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

(CA 7/12/2024)

RECEIPT

(Return this copy to us)

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Date:_____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

You may return the signed receipt either by signing, dating and mailing it to With A Twist Franchising Inc., 795 McIntyre Street, Suite 204, Golden, Colorado 80401, or by emailing a copy of the signed and dated receipt to With a Twist Franchising Inc. at franchise@getwithatwist.com.