

FRANCHISE DISCLOSURE DOCUMENT

Bella Bridesmaids Franchise Group, LLC
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B E L L A
B R I D E S M A I D S

As a franchisee, you will operate a showroom providing bridesmaids with stylish, wearable, and modern bridesmaid dresses.

The total investment necessary to begin operation of a Bella Bridesmaids franchise is between \$102,900 and \$262,000. This includes a \$50,000 initial franchise fee and a \$10,000 evergreen refundable security deposit.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 availability of disclosures in different formats, contact Bella Bridesmaids Franchise Group, LLC, 1 East Delaware, Suite 301, Chicago, Illinois, 60611, 312-943-0344.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: May 1, 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 will 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 and Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit D include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only Bella Bridesmaids business in my market?	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 Bella Bridesmaids franchisee?	Item 20 and Exhibit F list 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*

1. **Continuing Responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.
2. **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 franchised business or may harm your franchised business
3. **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.
4. **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.
5. **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.
6. **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.
7. **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 and other creditors.

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or 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.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

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

To simplify the language, this disclosure document uses “we” or “us” to mean Bella Bridesmaids Franchise Group, LLC, the franchisor. “You” means the individual, corporation, or other entity that buys a Bella Bridesmaids franchise.

FRANCHISOR, PARENT, AND AFFILIATES. The franchisor is Bella Bridesmaids Franchise Group, LLC, an Illinois limited liability company that was formed on June 25, 2012. Our principal place of business is 1 East Delaware, Suite 301, Chicago, Illinois 60611. We do business under the name “Bella Bridesmaids” in addition to our corporate name. We have no parent.

Prior to becoming the owners of the franchisor, Kathleen Casey and Erin Casey Wolf were (and still are) owners of Meeee Much, Inc., a franchisee of the former franchisor, Bella Bridesmaids Franchises, LLC. Meeee Much, Inc. operated the Chicago and Milwaukee locations. Kathleen Casey and Erin Casey Wolf formed Bella Bridesmaids Franchise Group, LLC to buy the former franchisor. On July 3, 2012, Bella Bridesmaids Group, LLC acquired substantially all of the assets of the former franchisor, Bella Bridesmaids Franchises, LLC. The former franchisor is no longer offering franchises. Bella Bridesmaids Franchises, LLC formerly owned a Bella Bridesmaids showroom as one of our franchisees. Kathleen Casey and Erin Casey Wolf continue to own and operate: Bella Bridesmaids showrooms located at 1 East Delaware Pl., Suite 200, Chicago, Illinois 60611 through their corporation Meeee Much, Inc. and one located at 545 Eighth Ave, Room 1525, New York, NY 10018 through their limited liability company, Meeee Much & More, LLC. Kathleen Casey and Erin Casey Wolf owned and operated a showroom in Seattle Washington through their corporation Meeee Much, Inc. from November 2014 until it was sold in September of 2016. Kathleen Casey and Erin Casey Wolf owned and operated a showroom in Milwaukee, WI through their company DC1, LLC until it was sold on February 15, 2018. Kathleen Casey and Erin Casey Wolf owned and operated a showroom in Washington, DC through their company DC1, LLC from August 2019 until it was sold in December 2019. Delighting Clients, LLC was the holding company of DC 1, LLC; both companies have been closed. Meeee Much, Inc. and Meeee Much & More, LLC are Affiliated; Delighting Clients, LLC and DC 1, LLC were previously Affiliates. The Bella Bridesmaids e-commerce website is operated through BBEC, LLC, which is owned by Kathleen Casey and Erin Casey Wolf. The Affiliates operate a business like the franchise offered in this disclosure document. The Affiliates have never offered any franchises and are not providing products or services to our franchisees.

AGENTS FOR SERVICE OF PROCESS. Our agents for service of process are identified in **Exhibit B** to this disclosure document.

THE BELLA BRIDESMAIDS BUSINESS. Over the last 18 years, the Bella Bridesmaids system has grown across the country. We currently have 57 locations in 31 states.

Other than through our Affiliates, we do not operate showrooms. We have not conducted a business of the type to be operated by you. We have offered franchises in this line of business since 2012. We currently offer franchises in this line of business. We do not now and have never offered franchises in any other line of business. We do not

conduct any other business activities. Other than through our Affiliates, we do not directly provide any of the products or services that we license franchisees to sell. Bella Bridesmaids does not provide any goods and services at this time. However, we reserve the right to do so at a future time.

THE FRANCHISED BUSINESS. We are in the business of offering franchises and developing the Bella Bridesmaids system. Our franchises are intended to be quaint and inviting showrooms that provide a refreshing departure from the usual bridesmaid experience and offer bridesmaids stylish, wearable, and modern bridesmaid dresses. Your Bella Bridesmaids showroom will operate in the well-developed and highly competitive retail bridesmaid dress market. Bella Bridesmaids showrooms provide fresh, sassy, and chic designer dresses in an intimate, upscale, and approachable setting. Realizing the important role of a bridesmaid dress, Bella Bridesmaids provides each bride with personalized attention in a one-on-one environment surrounded by the latest designer bridesmaid dresses.

The business is characterized by, among other things, unique dresses, cozy showrooms, and knowledgeable, friendly bridal experts; operating methods, procedures, and techniques; methods and techniques for inventory and cost controls; recordkeeping and reporting; personnel management and training; marketing, merchandising, advertising, sales, and promotional techniques; all of which may be changed, improved, and further developed by us from time to time known as the Bella Bridesmaids System.

The Bella Bridesmaids System is currently identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin. There is a unique reputation and public recognition for products and services merchandised under the trade name Bella Bridesmaids, the trademarks and service marks Bella Bridesmaids®, and certain other trademarks and service marks belonging to us; there is substantial goodwill associated with the Bella Bridesmaids trade name and the Bella Bridesmaids marks. (See Item 13.)

Potential customers include members of the general public. You will compete with a wide range of full service bridal and bridesmaid shops, including shops that are part of national, regional, and local chains as well as single unit operators and stand-alone shops and boutiques in the local area, any of which may also operate an online e-commerce website. Additionally, you will compete with online e-retailers. You should consult the telephone directory under “Bridal Shops,” “Bridesmaid Shops,” and “Dress Shops” to determine the number of competitors near your area.

We may offer financial incentives to existing franchisees or other third parties who refer a franchise prospect lead to us that results in the granting of a franchise to that lead. However, under no circumstances shall any such referral source serve in a broker capacity by discussing the franchise offering or the franchise business, including its benefits or earnings potential. Persons who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of some states.

Although we do not expressly require you to have prior experience to qualify as a Bella Bridesmaids franchisee, it would be useful if you had prior experience operating a bridesmaid dress or designer retail clothing boutique. If you do not personally operate the showroom, you must employ a general manager. If you hire a general manager or other key personnel, they must actively participate in the operations of the showroom on a day-to-day basis.

ITEM 2: BUSINESS EXPERIENCE

OWNER: KATHLEEN CASEY

Kathleen Casey has been part of the Bella Bridesmaids system since 2007 when she and Erin Casey Wolf opened their Bella Bridesmaids showroom in Chicago, Illinois, and has been the co-owner of Bella Bridesmaids system since July 2012. Kathleen Casey and Erin Casey Wolf continue to own and operate their Bella Bridesmaids showrooms in Chicago and New York. Kathleen Casey and Erin Casey Wolf owned and operated a showroom in Milwaukee, WI through their company DC1, LLC until it was sold on February 15, 2018 as well as a showroom in Washington, DC through their company DC1, LLC from August 2019 until it was sold in December 2019.

OWNER: ERIN CASEY WOLF

Erin Casey Wolf has been part of the Bella Bridesmaids system since 2007 when she and Kathleen Casey opened their Bella Bridesmaids showroom in Chicago, Illinois, and has been the co-owner of Bella Bridesmaids system since July 2012. Kathleen Casey and Erin Casey Wolf continue to own and operate their Bella Bridesmaids showrooms in Chicago and New York. Kathleen Casey and Erin Casey Wolf owned and operated a showroom in Milwaukee, WI through their company DC1, LLC until it was sold on February 15, 2018 as well as a showroom in Washington, DC through their company DC1, LLC from August 2019 until it was sold in December 2019.

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. In order to open your first Bella Bridesmaids franchise, you must pay an initial lump sum franchise fee of \$50,000 on the date that you sign the Franchise Agreement. In the last fiscal year, the initial franchise fee all new franchisees

paid was the \$50,000 franchise fee. For each subsequent Bella Bridesmaids franchise that you open in your protected Territory, the franchise fee due on the date you sign the then-current franchise agreement will be ten thousand dollars. For each subsequent Bella Bridesmaids franchise that you open outside your protected Territory the franchise fee due on the date that you sign the then-current franchise agreement will be 75% of the then-current initial franchise fee.

Each initial franchise fee must be paid with certified funds. Each initial franchise fee is fully earned upon payment and is nonrefundable, in whole or part.

SECURITY DEPOSIT. You must pay us a \$10,000 security deposit, which you must pay in full when you sign the Franchise Agreement. If we must withdraw from your security deposit to pay any obligations to us or others, you will have to replenish the funds we withdraw as soon as possible, but in any event, within 45 days of our withdrawal. The security deposit may be applied toward any payments owed to us or others, whether or not such payments, or any part thereof, shall then be due. The security deposit will not bear interest, and we will not hold it in a segregated account. We will refund to you any unapplied amounts remaining in the security deposit upon termination of the Franchise Agreement.

In California only, the Initial Franchise Fee, Security Deposit and any other initial fees (or Transfer Fee, if applicable) are deferred until the boutique is open and we have fulfilled our initial obligations.

ITEM 6: OTHER FEES

ITEM 6: OTHER FEES			
Type of Fee	Amount	Due Date	Remarks
Royalty	The greater of (A) 4% of gross monthly revenue or (B) \$600, paid on a monthly basis. Each delinquent royalty payment is subject to a \$100 late payment fee. for each occurrence (see Delinquent Royalty Fee, below).	On or before the 10th day of each month We reserve the right to change this collection period to weekly during the term of the Franchise Agreement.	Paid on Gross Revenue for preceding month or minimum amount of \$600. Royalty is paid by electronic funds transfer. If you are acquiring an existing boutique or renewing your Franchise Agreement for your boutique the royalty percentage

ITEM 6: OTHER FEES			
Type of Fee	Amount	Due Date	Remarks
			will be based on how long the boutique has operated, not the term of your Franchise Agreement. See Note 1
Local Advertising	A minimum of 1% of annual Gross Revenues	Spent monthly on advertising; End of year payment of any shortfall	Payable to third parties See Note 2
Systemwide Marketing Fund	The amount will be based upon the previous year's sales in the following amounts: \$0 to \$300,000 = \$1,000 annually \$300,000 to \$400,000 = \$1,500 annually \$400,000 to \$600,000 = \$2,000 annually Greater than \$600,000 = One half of one percent (0.5%) of monthly gross revenue reported	Before the 10th day of each month	Paid in 12 equal monthly increments. Paid by electronic funds transfer. See Note 2
Technology Fee	Currently monthly: \$125 with reasonable increases possible due to the addition of future technologies.	Before the 10th day of each month	See Note 3
Software (QuickBooks) License Fee	Then-current vendor fee. Currently monthly:	As specified by the supplier.	These fees are specified by the vendor companies and therefore are

ITEM 6: OTHER FEES			
Type of Fee	Amount	Due Date	Remarks
	\$48 monthly for the first two years and \$60 monthly afterward.		subject to change at any time. See Note 4
Software (Squarespace scheduling) License Fee	Then-current vendor fee. Currently monthly: \$25.00	As specified by the supplier.	These fees are specified by the vendor companies and therefore are subject to change at any time. See Note 4
Additional Training and Operational Assistance	\$150 per hour per trainer plus expense reimbursement; After 1st year of operation, reasonable hourly fee of \$150 per hour for support in excess of 4 hours/month	10 days before training Immediately upon billing	See Note 5
Insurance	If you fail to insure, cost of insurance plus interest.	Immediately upon billing	Payable to third parties See Note 6
Transfer	If the franchise is to be transferred to a new owner the then current Transfer Fee will be due to BBFG. The current Transfer Fee is \$10,000	Concurrently with request for approval	See Note 7
Renewal Fee	Our then current renewal fee, which is currently \$6,000	Concurrently with notice of your intent to renew	See Note 8

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Audit	If necessary, actual cost of audit (which we estimate at \$5,000), plus late fees and interest on the underpayment of royalty fees	Immediately upon billing	Payable only if underpayment is greater than 2% of reported amounts See Note 9
Delinquency Fee	\$100 for each occurrence of a delinquent payment or report	Immediately after due date	See Note 10
Computer System Access Fee	\$100 per month if you don't allow us access to your computer system	Immediately upon billing	See Note 10
Delinquent Access Credential Fee	\$100 per month if you don't allow us administrator-level access to your social media accounts and similar online presence	Immediately upon billing	See Note 10
Service Charge	For defaults, actual costs, plus interest and a service fee equal to 5% of costs or \$350, whichever is greater	Immediately upon billing	See Note 11
Interest	Then current prime plus 3% per month on amounts past due or, if lower, the highest legal rate	When payment of any amount is overdue	
Attorneys' Fees and Costs	Varies	Immediately upon billing	You must reimburse our legal costs and fees if we prevail in a lawsuit
Indemnification	Varies	Immediately upon billing	You must reimburse us for any liability or cost we incur by

ITEM 6: OTHER FEES			
Type of Fee	Amount	Due Date	Remarks
			reason of your operation of the showroom
Supplier Fee	A maximum of \$1,500	Immediately upon billing	See Note 12
Customer Service, Mystery Shopper Fee	A maximum of \$150 per month	Immediately upon billing	See Note 13

Except as provided in the following footnotes, the fees and payments listed above are uniformly imposed and collected by us. These fees and payments are not refundable except as described below. We have the right to adjust the payment dates for the Royalty payment and other fees upon reasonable notice to you.

Note 1: Royalty

The Royalty is payable monthly based upon the greater of (A) 4% of gross monthly revenue or (B) \$600, paid on a monthly basis. A minimum royalty of \$600 is paid by ACH Collection on the 10th day of each month. Any excess royalty due will be paid by ACH Collection upon calculation. Gross Revenue is defined in Section 8.3 of the Franchise Agreement as the total selling price of all goods and services generated at the local Franchised Location including income from for-profit events held promoting Bella Bridesmaids and all other revenue derived from the operation of the Franchised Location. Gross Revenue does not include shipping and handling fees, employee discounts, refunds to customers, and sales tax.

If you do not report your Gross Revenues as required, if the royalty fee is not available in your account for debiting when due, or you do not remit the excess royalty to us when due, you will be charged a late payment fee of \$100. Additionally, you will incur interest at the Default Interest Rate (the lesser of the prime rate plus 3% per month or the maximum rate permitted by applicable law), from the date such amounts were originally due until the date paid. You authorize us to debit your account for the late payment, late fees, and interest. The royalty fee is not refundable. We reserve the right to change from monthly royalty collection to weekly royalty collection with reasonable advance notice to you during the term of your franchise agreement.

You must sign and deliver to us the documents we require to debit your business checking account automatically for all fees due to us, including but not limited to, royalty fees, advertising fees, technology fees, any promotional items you may purchase from us

and any late payment fees or interest. If we direct you to remit any payment other than by automatic debit, such payment should be sent to: 1 East Delaware, Suite 301, Chicago, Illinois, 60611.

Note 2: Advertising

Local Advertising. You must spend at least 1% of your annual Gross Revenues on local advertising. You may choose to spend more. If you spend less than 1% of your annual Gross Revenues on local advertising, you may be required to pay to us the difference between your actual expenditures and the required 1% of Gross Revenues. Any amount paid to us will be used by us for regional or national advertising. Factors that may affect your decision about the actual amount to spend include local media cost, location of your Bella Bridesmaids showroom, and customer demographics in the surrounding area. All advertising and marketing that you undertake must be completely truthful, conform to the highest standard of ethical advertising, comply with any applicable laws and regulations, and be approved by us prior to its implementation. These costs are generally not refundable.

Systemwide Marketing. We have implemented a Systemwide Marketing Fund in accordance with Section 12.5 of the Franchise Agreement. You shall be responsible for the following contribution:

Previous Year's Sales	Advertising Fees
\$0 to \$300,000	\$1,000
\$300,000 to \$400,000	\$1,500
\$400,000 to \$600,000	\$2,000
Greater than \$600,000	One half of one percent (0.5%) of monthly gross revenue reported

Previous Year's Sales are based upon the location.

If a location has been transferred, the new Franchisee will be obligated to pay the Advertising Fees based upon the previous year's sales.

The advertising fee is required to be paid in 12 equal monthly increments. We reserve the right to change the frequency of when advertising fees are due.

Note 3: Technology Fee

In exchange for our providing you with access to technology and support, you will pay a monthly technology fee of \$125.00 to help cover the costs associated with, but not limited to, the virtual showroom, website development and maintenance, technology infrastructure, technical training, and other technology-related expenses. Please note that we reserve the right to increase this cost as we enhance or change technologies in the future.

Note 4: Software Fee

In consideration for your required computer accounting software license (which must be connected to the QVINCI financial reporting software), you will pay the then-current monthly licensing fee to QuickBooks. Currently, there is a discount for the first two years, making the monthly payment \$48; this adjusts to the regular rate of \$60.00 per month after the first two years discount expires. These fees are specified by the supplier and therefore are subject to change at any time. You may be able to negotiate a lower price with the supplier depending on the terms of your subscription. We reserve the right to designate a different approved supplier at any time. A different supplier may impose different terms and costs. We are currently paying the costs associated with the QVINCI financial reporting service, but at some point, those costs may be charged to you.

Note 5: Training and Operational Assistance

Prior to opening, we will provide training for you, your general manager, and certain of your other key personnel in Chicago or at another location that we select. If you request additional voluntary training, or additional remedial training is required due to failure to adhere to our brand standards, we will provide you with such training at our then-current fee (which is subject to change, but will not increase more than 5% per year) and you must reimburse us for expenses incurred in providing the additional training. The current fee for additional training is \$150 per hour per trainer plus reimbursement for our travel, hotel, meals and related expenses. The fee for additional training is due 10 days prior to the scheduled training and reimbursement of our expenses is due within 5 business days after we request reimbursement. You are entitled to a full refund of the voluntary training fee if you cancel at least five (5) days in advance. You are not able to cancel any additional remedial training.

After your Franchise has been operating for a year (12 months), we will provide up to four hours of complementary Operational Assistance per month. Any Operational Assistance in excess of four hours per month will be charged at a reasonable hourly fee of \$150 per hour.

Note 6: Insurance

Please see Item 8 about required insurance. You should check with your insurance agents for exact amounts you will need for this insurance. If you fail to secure and maintain the required insurance, we may obtain the insurance on your behalf, and you must pay us the cost of the insurance.

Note 7: Transfer Fee

Among other conditions of our approval for a transfer of your franchise, if you wish to transfer your business, you must pay us a Transfer Fee (Section 18(E) of the Franchise Agreement). The current Transfer Fee will be \$10,000.00. This fee covers our expenses for due diligence and providing training for your proposed Transferee. This Transfer Fee is due before you may complete the transfer.

Note 8: Renewal Fee

You may renew the Franchise Agreement for two (2) consecutive five-year terms as agreed by you and us so long as you comply with the conditions set forth in Section

21 of the Franchise Agreement. One of the conditions for renewal is that you must pay to us the then-current renewal fee. The renewal fee is due when you submit to us the notice of your intent to renew. Our current renewal fee is \$6,000.

Note 9: Audit

In the Franchise Agreement, we reserve the right to audit your books, records, tax returns, and business operation at any reasonable time. That audit is at our expense unless it is necessary because you failed to timely furnish reports, supporting records, or other required information or it discloses that you have understated your Gross Revenues by more than 2% for the period covered by the audit. In that event, you must reimburse us for the cost of the audit (which we estimate to be \$5,000).

Note 10: Delinquency Fees

Delinquent Royalty Fee. You are required to pay us a fee of \$100 for each occurrence of a delinquent royalty payment.

Delinquent Gross Revenue ("GR") Report Fee. You must submit accurate GR reports as specified by Section 8.4 of the Franchise Agreement. The GR reports inform us of your Franchise's monthly Gross Revenue amount. GR reports are due on or before the 10th calendar day of the month immediately following the month to be reported. You are required to pay us a fee of \$100 for each GR report that is past due, plus all our expenses if we must hire accountants to prepare the GR report.

Delinquent Monthly and Yearly Report Fee. You must submit accurate monthly and yearly reports as specified by Section 11.3 of the Franchise Agreement. Monthly reports are due on or before the 10th calendar day of the month immediately following the month to be reported. Yearly reports are due on or before the 30th calendar day after the end of each calendar year. You are required to pay us a fee of \$100 for each monthly and yearly report that is past due, plus all our expenses if we must hire accountants to prepare the monthly and yearly reports.

Delinquent Tax Return and Other Required Report Fee. You are required to pay us a fee of \$100 for each delinquent tax return and other required report that is past due, plus all our expenses if we must hire accountants to prepare the other required reports.

Delinquent Computer System Access Fee. You must allow us access to your computer system so that we can access financial statements, reports and other information related to your showroom and business. If you do not allow us access, we may charge a \$100 per month fee for each month you do not allow us access.

Delinquent Access Credentials Fee. We require that you provide us with administrator-level access to all social media accounts, profiles and similar online presence that you may have for your business. If you do not provide us with administrator-level access we may charge a \$100 per month fee for each month you do not provide the access.

Note 11: Service Charge

If we exercise any of our rights because you failed to perform your obligations such as with respect to maintenance, repairs, renovations, refurbishment, reports, insurance, taxes, or licenses, then we will necessarily incur certain expenses. These expenses are extremely difficult and impracticable to ascertain. Those expenses may include (without limitation) administrative costs to procure and supervise the remedial work, processing, accounting, legal, and collection costs. If we take any remedial action, you will pay us, upon demand, in addition to the actual costs, a service charge equal to five percent (5%) of the charges incurred by us, but in no event less than three hundred fifty dollars (\$350.00).

Note 12: Supplier Fee

We reserve the right to impose a reasonable fee for approval of suppliers or require reimbursement of actual or estimated costs to evaluate proposed suppliers. This fee will not exceed \$1,500.

Note 13: Customer Service, Mystery Shopper Program Fee

We reserve the right to charge you for the costs that we incur in a mystery shopper program, up to one hundred fifty dollars (\$150) per month.

ITEM 7: ESTIMATED INITIAL INVESTMENT

ITEM 7. YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 1)	\$50,000	Lump sum	On signing the Franchise Agreement.	Us
Security Deposit (Note 2)	\$10,000	Lump sum	On signing the Franchise Agreement	Us
Initial Lease Payments (Note 3)	\$1,800 - \$30,000	Lump sum	Lease inception	Landlord
Initial Inventory and Supplies (Note 4)	\$10,000 - \$30,000	Lump sum	Per supplier terms	Suppliers
Equipment and Fixtures	\$2,000 - \$10,000	Per supplier terms	Per supplier terms	Suppliers
Leasehold Improvements and Construction (Note 6)	\$2,000 - \$50,000	Per contractor terms and agreements	Per contractors terms and agreements	Contractors
Utility Deposits, Business Permits	\$100 - \$500	Lump sum	At time obtained	Utilities, agencies

ITEM 7. YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Actual or Estimated Amounts	Method of Payment	When Due	To Whom Payment Is To Be Made
Costs to Attend Training (Note 6)	\$1,300 - \$3,500	Lump sum or per credit card terms	Per suppliers	Airlines, hotels, restaurants
Insurance (Note 7)	\$1,500 - \$5,000	Lump sum	Per provider	Insurance carrier
Exterior Signs (Note 8)	\$200 - \$10,000	Per sign company	Per sign company	Sign company
Computer System (Note 9)	\$1,000 - \$5,000	Per suppliers	Per suppliers	Suppliers and Us
Professional Fees (Note 10)	\$1,000 - \$8,000	Per provider	Per provider Accountants,	Attorneys
Opening Advertising & Promotional Costs (Note 11)	\$2,000 - \$10,000	Per suppliers	Per suppliers	Suppliers
Additional Funds (first three months) (Note 12)	\$20,000 - \$40,000	Lump sum or as otherwise agreed	Per various suppliers	Suppliers, employees, others
TOTAL	\$102,900- \$262,000			

All figures in Item 7 are estimates only. Actual costs vary for each franchisee and each location depending on a number of factors, including your management skill, customer care, past work experience, business acumen, prevailing wage rate in your city, the competition you encounter, volume of business you generate, and the quality as well as the ability of your staff. Another important factor is how well you apply the Bella Bridesmaids method. You should review these figures carefully with a business advisor before you decide to purchase a Bella Bridesmaids franchise.

We compiled these estimates using the actual and projected cost data for the opening of various Bella Bridesmaids franchises across the United States. Costs could be significantly different in your particular area. We cannot predict your actual expenses. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on the availability of financing generally, your creditworthiness and available collateral, and the lending policies of financial institutions from which you request a loan.

Note 1: Initial Franchise Fee

You must pay an initial lump sum franchise fee of \$50,000 on the date that you sign the Franchise Agreement. The initial franchise fee must be paid with certified funds.

The initial franchise fee is fully earned upon payment and is nonrefundable, in whole or part.

Note 2: Security Deposit

You must pay us a \$10,000 security deposit, which you must pay in full when you sign the Franchise Agreement. If we must withdraw from your security deposit to pay any obligations to us or others, you will have to replenish the funds we withdraw as soon as possible, but in any event, within 45 days of our withdrawal. The security deposit may be applied toward any payments owed to us or others, whether or not such payments, or any part thereof, shall then be due. The security deposit will not bear interest, and we will not hold it in a segregated account. We will refund to you any unapplied amounts remaining in the security deposit upon termination of the Franchise Agreement.

Note 3: Initial Lease Payments

This estimate is for leasing retail space in an upscale shopping district. This may not be the area closest to where your home is located. Location is key when deciding where your showroom is located. Your cost will vary greatly depending on the availability of suitable space, the prevailing rents in your area and the specific location you select. Your showroom need not be in a ground floor, store-front space, because most of your business will be by appointment. If you rent ground floor store-front space, your costs will be higher. Your showroom must have within it a bona fide changing room, which cannot be a restroom or storeroom.

Note 4: Initial Inventory and Supplies

This estimate is for your initial inventory of dress samples, merchandise and miscellaneous supplies. What is an appropriate selection of samples and merchandise for your showroom will depend on the size of your market area and local tastes. We will consult with you about your starting inventory.

Note 5: Leasehold Improvements and Construction

The actual cost of your leasehold improvements will depend on the condition of the premises you select as well as labor and other costs in your market area and how much, if any, your landlord is willing to contribute towards leasehold improvements.

Note 6: Costs to Attend Training

Training expense includes travel, lodging, and meals for up to two people during training. This estimate does not include any compensation or salaries.

Note 7: Insurance

Please see Item 8 about required insurance. You should check with your insurance agents for exact amounts you will need for this insurance.

Note 8: Exterior Signs

Your signage expenses will vary greatly based on the type of location you select and any landlord requirements or local ordinances controlling the type of sign you must have.

Note 9: Computer System

This estimate includes monthly license fees for QuickBooks accounting software and Squarespace scheduling software paid to the applicable software provider and our Technology Fee paid to us for your access to the Virtual Showroom, website, and other technology support that we provide to you. Please see Item 11 for general information about information technology that you will need.

Note 10: Professional Fees

Professional fees include charges for an accountant to assist you in setting up your books and an attorney to review the franchise, lease, and other agreements you may enter into in starting the business. Rates charged by these professionals vary significantly and you should ask for an estimate and fee agreement in advance.

Note 11: Opening Advertising & Promotional Costs

Your costs will vary greatly depending on your decisions about how much advertising to conduct and the media you select, as well as local advertising rates.

Note 12: Additional Funds (first three months)

The additional funds shown are an estimate of start-up expenses needed in the first three months of operation that are not otherwise shown in the above table. They include items such as payroll (if you hire staff), utilities, and miscellaneous goods and services. This estimate does not include an owner's draw. The actual amount needed by an individual franchisee will vary depending on many factors, including the revenue received by the showroom during the initial phase. The above estimate is not a representation that you will break even or make a profit after investing the above sums. Your success will depend on many factors such as your business acumen, knowledge of the financial/accounting areas of the business, and demand for designer bridesmaid dresses in your territory. Demographics and age of potential customers in your territory are very important factors that could impact your success. Consequently, the location of where you choose to operate your business is a very important decision. The right location for your new business may not be the area in which you live. Additional funds were estimated on the basis of our experience in operating similar businesses and general knowledge of start-up expenses for new businesses.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

REQUIRED AND APPROVED SUPPLIERS. To ensure that the showroom meets the Bella Bridesmaids system's standards and to promote a consistent image among showrooms, you must sell only approved products at your showroom. Approved products include bridesmaid dresses, wedding apparel, accessories, and other products we may approve in the future provided that you shall receive notice of our changes to approved products. We will give you a list of the approved suppliers available to you for purchasing approved products, including a number of independent dress designers, and you must purchase the approved products only from the approved suppliers on our list. Approved suppliers may vary by geographic region or market area. We may modify the approved suppliers as circumstances warrant in our opinion. We will notify you by email of any changes in approved suppliers.

REQUIRED PURCHASES. It is critical to your showroom's success to have a variety of contemporary samples of approved products on hand at your showroom. Accordingly, you are required to update your samples at least annually and, in some cases, semi-annually, depending on the designer's requirements. Since the bridal market seasons commence in April and October, you may be required to make sample purchases every April and/or October of every year that you are in business.

Currently, you must use our website and maintain information technology systems and services that allow you to fully use our website. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. More information on the type of computer hardware and software that we require is contained in Item 11. We are the only supplier of website services for the Bella Bridesmaids network. You may not establish or maintain any other website for the Franchised Business. We are not currently a designated or approved supplier for any other goods or services you must purchase or lease for the Franchised Business, but we reserve the right to be a supplier of other goods and services in the future.

All of your advertising must either be supplied or pre-approved by us.

We reserve the right to issue specifications and standards as to other goods and services you may purchase. For example, we may issue specifications for a computer system or other information technology systems that you must use. We will disclose to you in writing, by electronic mail or in the Bella Owners Manuals or otherwise, any specifications on products and equipment by designating approved brands, types, compositions, performance qualities, or suppliers.

For each showroom, you must maintain insurance coverage in the types and amounts designated by us. The following table is a summary of our current requirements:

Type of Coverage	Policy Limits
Premises/Operations Liability	\$1,000,000 per occurrence, \$2,000,000 aggregate
Products/Completed Operations	\$1,000,000 per occurrence, \$2,000,000 aggregate
Hired and Non-Hired and Automobile	\$1,000,000 per occurrence, no aggregate
Special Form (All Risk)	Full replacement cost
Business Income/Interruption	Actual loss, no dollar limit, 12 months
Other legally required insurance, e.g., Workers Compensation	Statutory limits
Employment Practices	\$1,000,000 per claim and aggregate
Employer's Liability	\$1,000,000 for injury by accident for each accident; \$1,000,000 for injury by disease per employee

If you purchase an existing showroom, you will be required to obtain a new lease from the current landlord. Otherwise, we do not control who you lease property from for your showroom premises, but we require your lease to include certain provisions, including:

- Approval of us as an assignee of the lease and giving us the right, but not the obligation to assume your interest upon termination or expiration of the franchise or upon termination of the lease on account of any default by you;
- The landlord's agreement to send us a copy of any written notice of deficiency and/or default under the lease sent to you and to allow us to cure any deficiency or default under the lease;
- The landlord approval of our signs for the premises and for display of the Bella Bridesmaids marks according to our specifications;
- That the premises may be used only for the operation of a Bella Bridesmaids showroom;
- Your agreement that we may freely communicate with the landlord about matters relevant to the lease and the operation of the Franchised Business;
- That you and the landlord will not materially modify the lease or to delete or amend any of the foregoing provisions without our consent; and
- A collateral assignment of lease that assigns your interest in the lease to us at our option on certain events, such as termination, expiration or nonrenewal of the franchise or the threatened termination of the lease by the landlord due to your default.

We may modify its current specifications or develop additional specifications as to the types of products, services, insurance and equipment for the Franchised Business.

If you wish to independently source any items from someone other than one of our approved suppliers or designated suppliers, you must get our prior consent. However, we reserve the right to have some items, such as the bridesmaid dresses you will carry, sourced exclusively from our approved suppliers or designated suppliers, in order to achieve uniformity and better pricing, to simplify inventory and purchasing, or for other legitimate business reasons. Therefore, we do not promise to evaluate or approve alternate suppliers on your request and may decline to do so. If we elect to evaluate a supplier at your request, you must provide us with adequate information and product samples to evaluate any such supplier. We will consider the following factors in our evaluation: (1) the quality of the products; (2) the supplier's trade history and reputation for customer service and reliability; (3) the price point and competitiveness of pricing offered; (4) whether the supplier's products add anything to the range of products offered or are redundant of existing approved products; and (5) whether the supplier presents any conflict of interest for us, for example, as to its channels of distribution or with our existing approved suppliers.

We reserve the right to impose a reasonable fee for approval of suppliers or require reimbursement of actual or estimated costs to evaluate proposed suppliers. This fee will not exceed \$1,500. If we agree to evaluate a proposed supplier, we will notify you of the approval or disapproval of the supplier within 30 days after we receive notice and all information and samples necessary to process your request. We may revoke approval of suppliers for reasonable cause upon written notice to you.

We do not currently have any arrangements or agreements with suppliers to receive any rebates or other consideration on account of your purchases or leases, but reserve the right to make such arrangements and receive and retain any such consideration in the future. Since we currently have no such arrangements, we cannot predict the precise basis for how we might derive revenue from any such arrangements that might be made in the future.

Franchisees do not get any material benefit or inducement from us for using approved suppliers or other designated or approved sources.

NEGOTIATED PRICES. We intend to negotiate with approved suppliers for the benefit of all showrooms, but we cannot guaranty any particular terms or control what suppliers may do. For example, we cannot assure that you will get the best pricing or payment terms, an adequate supply of any of the approved products or prevent any approved supplier from competing with your showroom or our network of showrooms by selling in other locations or channels. We are not under any fiduciary obligation to you with respect to the terms negotiated or any dealings with any supplier.

REVENUE FROM FRANCHISEE PURCHASES. We estimate the cost of the purchases of goods and services that are either purchased according to our specifications or from approved or designated suppliers will be approximately 40% of the total cost to establish the Franchised Business and about 60% of the total cost to operate the Franchised Business.

While we reserve the right to receive rebates, markups or other payments from suppliers to the system, we did not receive any such revenue from or on account of franchisee required purchases or leases of any goods or services in the 2022 fiscal year.

Owners and officers of Bella Bridesmaids may have minority ownership interests in a variety of publicly traded companies. Some of these publicly traded companies or their affiliates could be approved or designated suppliers to Bella Bridesmaids franchises. Other than this type of minority ownership, no officer or owner of Bella Bridesmaids has any ownership interest in any of your suppliers.

COOPERATIVES. There are no purchasing or distribution cooperatives at this time.

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	Item(s) in Disclosure document
a.	Site selection and acquisition/lease	Franchise Agreement, Section 5	Items 6, 7, 11, 12
b.	Pre-opening purchases/leases	Franchise Agreement, Sections 5, 6	Items 6, 7, 8
c.	Site development and other pre-opening requirements	Franchise Agreement, Sections 5, 6, 7	Items 6, 7, 8, 11
d.	Initial and ongoing training	Franchise Agreement, Section 7	Items 6, 7, 11
e.	Opening	Franchise Agreement, Sections 5, 7, 12, 13	Items 7, 11
f.	Fees	Franchise Agreement, Sections 7, 8, 11, 12, 18, 22, 24	Items 5, 6, 7
g.	Compliance with standards and policies/operating manual	Franchise Agreement, Sections 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, 22, 24, 25	Items 8, 11, 15, 16

Obligation		Section In Agreement	Item(s) in Disclosure document
h.	Trademarks and proprietary information	Franchise Agreement, Sections 1, 2, 3, 9, 10, 12, 13, 17, 21, 22, 24, 25	Items 13, 14
i.	Restrictions on products/services offered	Franchise Agreement, Sections 3, 9, 10	Items 8, 11, 16
j.	Warranty and customer service requirements	Franchise Agreement, Section 13	None
k.	Territorial development and sales quotas	Franchise Agreement, Section 5, 11, 12, 13	Item 12
l.	Ongoing product/service purchases	Franchise Agreement, Section 6, 9	Items 8, 16
m.	Maintenance, appearance, and remodeling requirements	Franchise Agreement, Section 5, 6, 21	Items 6, 11
n.	Insurance	Franchise Agreement, Section 14	Items 6, 7, 8
o.	Advertising	Franchise Agreement, Section 12	Item 6, 11
p.	Indemnification	Franchise Agreement, Section 10, 15	Item 6
q.	Owner's participation/management/ staffing	Franchise Agreement, Section 7, 13	Item 11, 15
r.	Records and reports	Franchise Agreement, Section 11	Item 6
s.	Inspections and audits	Franchise Agreement, Sections 5, 11	Item 6
t.	Transfer	Franchise Agreement, Section 17, 18, 19, 20	Item 6, 17

Obligation		Section In Agreement	Item(s) in Disclosure document
u.	Renewal	Franchise Agreement, Section 21	Item 6, 17
v.	Post-termination obligations	Franchise Agreement, Sections 10, 23, 24	Item 17
w.	Non-competition covenants	Franchise Agreement, Section 10	Item 17
x.	Dispute resolution	Franchise Agreement, Section 27, 29	Item 17
y.	Other: Taxes, Permits, and Licenses	Franchise Agreement, Section 16	Item 1

ITEM 10. FINANCING

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

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

Except as listed below, Bella Bridesmaids Franchise Group, LLC is not required to provide you with any assistance.

PRE-OPENING ASSISTANCE.

Before you open your business, we will:

1. Designate your protected territory. (Franchise Agreement, Sections 1, 5)
2. Assist you in selecting a showroom site. You select your showroom site within your protected territory subject to our acceptance. (Franchise Agreement, Section 5)
3. The factors that we consider in accepting or denying a site include population density, traffic patterns, neighborhood, and physical characteristics of the premises such as size and layout. You must have secured a site within 120 days after you sign the Franchise Agreement, or we may terminate the Franchise Agreement. (Franchise Agreement, Section 5)

4. Accept the lease for your premises. Our review and acceptance of Your Lease is done exclusively for our own business purpose and does not constitute any advice, either legal or financial. By such review and acceptance we do not and shall not make any representations or warranties as to the fairness or legality of any terms of Your Lease. (Franchise Agreement, Section 5)

5. Review and accept or deny the plans you have prepared for the build-out or remodeling of the Franchised Location within 15 business days after you provide them to us. (Franchise Agreement, Section 5)

6. Upon execution of your franchise agreement, we will provide you a list of approved or designated vendors. (Franchise Agreement, Section 6)

7. Provide information concerning approved suppliers and assist you in making contact with any approved suppliers. (Franchise Agreement, Section 6)

8. Provide specifications for signs, equipment, fixtures, furnishing, improvements, and other products and services required to be used in the operation of your Bella Bridesmaids showroom. We do not deliver or install any of these items. We must approve your planned signage before you finalize any signage order. (Franchise Agreement, Section 6)

9. We will loan you one copy of each of the Bella Owners Manuals in either hard copy or electronic form, at our option. (Franchise Agreement, Section 9)

10. Review and approve or disapprove the overall appearance and interior decor of your Franchised Location, which must be decorated to create an inviting and cozy atmosphere. All décor and furnishings should follow the guidelines in the Brand Guide that you will receive a copy of. Any furnishings and décor not in the Brand Guide should be submitted to us for approval. All furnishings and Décor that are found in the Franchised Location that are not approved prior to purchase will have to be replaced with approved items. (Franchise Agreement, Section 5)

11. Conduct an initial training program as described below in this Item 11, under "Training Program," for you and your general manager. You are responsible for all travel, lodging, meals, salary, benefits, and incidental expenses for the training sessions and on the job training for both you and your employees. We do not charge a fee for this training. (Franchise Agreement, Section 7).

TIME BEFORE OPENING.

The typical length of time between the signing of the Franchise Agreement and beginning operation of your Bella Bridesmaids showroom is 90 to 210 days. Factors that may affect this include the completion of training, site selection, compliance with governmental regulations such as local ordinances and building codes, and build-out of the showroom interior.

CONTINUING ASSISTANCE.

During the operation of your Bella Bridesmaids showroom, we may do the following:

1. Administer our national advertising fund and expend fees for development of market support, public relations, research, and promotional campaigns designed to promote and enhance the value of the Bella Bridesmaids system. (Franchise Agreement, Section 12)

2. Provide a telephone help request line, email address, and/ or SMS text number where you may leave or send an assistance request at any time. Our representative will respond to your request as promptly as practicable. After you have been operating your franchise for 1 year, we may impose a reasonable hourly fee for any consultation and advice requested by you that exceeds 4 hours in any month. The current fee is \$150 per hour and is subject to change, but will not increase more than 5% per year. (Franchise Agreement, Section 7)

3. Indemnify and hold you harmless if you are made a party to a lawsuit as a result of your authorized and proper use of the Bella Bridesmaids name and marks. (Franchise Agreement, Section 3)

4. We attend both April and October bridal markets each year and all franchisees are invited to attend both as well. You are required to attend at least one of these markets each year, which may not be in your territory. During these bridal markets, we may coordinate group meetings with some designers and hold a block of rooms at a hotel for the group. You are responsible for all costs associated with your attendance at these markets and meetings.

5. You are also required to attend a mandatory system-wide biennial (every 2 years) meeting to provide information, assistance, and support to franchisees. This meeting may not be in your territory and you are responsible for all costs associated with your attendance at these meetings. We reserve the right to charge a reasonable fee for the system-wide meeting.

OPTIONAL ASSISTANCE.

During the operation of your Bella Bridesmaids showroom, we may:

1. Make available for a fee additional training for you or your key personnel, if such training is not available from within the individual franchise. (Franchise Agreement, Section 7)

2. Occasionally (but no more than once a year) conduct a mandatory refresher course at a location designated by us for you and your key personnel (if you are not acting as your own general manager). You will be responsible for all travel costs. (Franchise Agreement, Section 7)

3. We offer optional in person continuing education and training sessions, which you may elect to attend at your expense. Examples include our Biennial Bella

Meetings held every two years in Chicago, group meetings during Bridal Market in NYC in April & October, intermittently scheduled Manager/Stylist trainings in Chicago and intermittently scheduled Regional Owner Breakout Sessions that rotate at Bella stores around the country. We also offer frequent virtual opportunities to opt in for additional support and training on product, processes and technology.

ADVERTISING ASSISTANCE.

We may conduct system-wide or regional advertising, public relations, and promotional campaigns for the Bella Bridesmaids system. We may use any form of media to conduct the advertising. Our programs may include promotions, direct mailing, newspaper, electronic media, and other similar programs.

The advertising conducted by us and the media coverage associated with this advertising are system-wide but only located in the states where we have locations. The advertising materials may come from an in-house advertising department or an outside advertising agency. We are not required to spend any amount in your area or territory. Although we do not currently conduct individual advertising for our franchisees, we do list our franchisees on our website. (Franchise Agreement, Section 12)

You must spend at least 1% of your annual Gross Revenues on local advertising and promotional activities. Within 90 days after the close of your fiscal year, you must deliver to us a statement showing the amount you were required to spend on local advertising and how that was spent. If the actual amount that you spent during the year does not equal 1% of your Gross Revenues, you may be required to pay to us an amount equal to the difference. We will use such amount to conduct system-wide or regional advertising, public relations, and promotional campaigns for the Bella Bridesmaids system. We will not use any amounts received because of under-spending on local advertising on soliciting new franchisees. (Franchise Agreement, Section 12)

All print advertising must include your street address and phone number and must include "Bella Bridesmaids" as part of the advertisement. You may develop advertising materials for your own use, at your own cost, but you must obtain our written approval of advertising material before you use it. We will approve or decline your request within 5 business days. You may not use any materials that we have not approved. (Franchise Agreement, Section 12)

You may not operate a website for your franchise except as a page within our website. The content of your webpage and any other online presence, including social networking media, are subject to our approval and you must supply us with all access credentials for the foregoing so as to permit us to enforce our rights under the Franchise Agreement and protect the Bella Bridesmaids marks. (Franchise Agreement, Section 12)

All Bella Bridesmaids franchisees must also support all system-wide advertising and marketing promotions, carry all products from approved sources. (Franchise Agreement, Sections 6, 12)

You do not have to participate in a local or regional advertising cooperative. We do not reserve the right to establish and maintain local and regional advertising cooperatives for geographic areas. We do not currently have an advertising council composed of franchisees to advise us on advertising policies.

ALLOCATION OF PRODUCTION AND ADMINISTRATIVE EXPENSES.

We have established, and are maintaining and administering a system wide marketing fund ("Systemwide Marketing Fund"). The Systemwide Marketing Fund may be used to pay the cost of preparing and producing video, audio, written, and electronic advertising materials, administering national, regional, or local advertising programs including direct mail and other media advertising, and employing advertising agencies to assist in those activities, establishing and maintaining a website for the franchise system, supporting public relations, market research and activities and providing advertising, marketing, and promotional materials to our franchisees. We will allocate the Fund as we deem appropriate to create and develop regional and national advertising public relations and promotional campaigns. We have no obligation to allocate the Fund in any particular territory or in proportion to contributions. (Franchise Agreement, Section 12)

The Fund will not be used for soliciting new franchisees.

The Fund will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses, and overhead that we may incur in activities related to the administration of the Fund and its programs, including collecting and accounting for the Fund. The Fund may spend in any fiscal year an amount greater or less than the aggregate contribution in that year, and may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used for the benefit of the Fund. The Fund will not be audited. Upon reasonable request not more than once per year, we will provide an accounting of the Fund. (Franchise Agreement, Section 12)

Franchisor/affiliate-owner outlets contribute to the Systemwide Marketing Funds. Chicago, New York, Tampa and Orland contribute \$83.33 a month.

In the last fiscal year we spent 5% of the Fund on production, 52% on media placement, 18% SEO, promotions and email marketing, 25% on administrative expenses and 0% on other, miscellaneous expenses including expenses related to online business listings, online reputation management, and consumer research including member satisfaction. We do not use the Funds to solicit new franchise sales.

COMPUTER SYSTEMS.

Unless you have another means of accessing the internet and email, you must purchase computer hardware and software, as well as the service of an internet provider. (Franchise Agreement, Section 6)

We require that you purchase or lease a computer system that meets our specifications. Currently, our current specifications require that you purchase licenses

for QuickBooks financial accounting software and Squarespace scheduling software. You are required to keep your computer system and internet access in good working order during the term of the franchise. The annual costs to maintain your computer system in good working condition vary. (Franchise Agreement, Section 6)

The computer system will allow us to review your sales revenue and produce a report related to those sales electronically. There are no contractual limitations on our right or the right of a designated vendor to independent access to the information. (Franchise Agreement, Section 6).

It is required that all locations automatically sync financial reporting from QuickBooks into QVINCI, or another software as we may determine, in order to automate the financial reporting process. Our team will help assist with this as you get your financial software running. Currently there is no fee to you for QVINCI. We have the right under the Franchise Agreement to access your computer system to view your financial statements, reports and other data related to the operation of your showroom and business. If you do not give us access, we may fine you \$100 per month that we don't have access.

We do not require a POS system. We require each Franchisee have a QuickBooks Online Account which ranges from \$30 to \$90 a month. It syncs with our Proprietary Virtual Showroom and our Qvinci Financial Software. At this time the Franchisee is only responsible to pay the monthly cost for their QuickBooks Online Account. The fee varies with the level you chose to purchase. You will receive a Franchise Discount of 30% the first year on the subscription fee and thereafter it is full price.

BELLA BRIDESMAIDS CONFIDENTIAL OPERATIONS MANUALS.

We will lend you one copy of each of the Bella Owners Manuals in either hard copy or electronic form, at our option. (Franchise Agreement, Section 9) The Bella Owners Manuals contain mandatory and suggested specifications, standards, operating procedures, and rules required by us periodically for use in the operation of your Bella Bridesmaids showroom. You must comply with the provisions of the Bella Owners Manuals in the setup and operation of your franchise. We have the right to modify the Bella Owners Manuals periodically and to supplement them with periodic bulletins. The Bella Owners Manuals are confidential and our proprietary materials. You must return any hard copies to us, and destroy any and all electronic copies in your possession, with proof of such destruction required, upon the expiration or termination of your Franchise Agreement for any reason and must treat them confidentially. The Tables of Contents of the Bella Owners Manuals as of the date of this Disclosure Document are attached as **Exhibit E**. The Operations Manual includes approximately 87 pages.

TRAINING PROGRAM.

We provide an initial training program for all franchisees that includes at least 10 hours of classroom work at the existing Bella Bridesmaids showroom in Chicago, Illinois or in another location or virtually as designated by us. You and your general manager, if you have hired one, must attend and successfully complete this program to our

satisfaction prior to the projected opening date of your showroom. You pay no tuition fee for attendance at the initial training program. You are responsible for the travel, living, wages, employment-related expenses, and other incidental expenses of yourself and your employees incurred during the training program, including any on the job training. (Franchise Agreement, Section 7)

If you request additional voluntary training, or additional remedial training is required due to failure to adhere to our brand standards, we will provide you with such training at our then-current fee (which is subject to change, but will not increase more than 5% per year) and you must reimburse us for expenses incurred in providing the additional training. The current fee for additional training is \$150 per hour per trainer plus reimbursement for our travel, hotel, meals and related expenses. The fee for additional training is due 10 days prior to the scheduled training and reimbursement of our expenses is due within 5 business days after we request reimbursement. You are entitled to a full refund of the voluntary training fee if you cancel at least five (5) days in advance. You are not able to cancel any additional remedial training. (Franchise Agreement, Section 7)

The training program instructors are Kathleen Casey and Erin Casey Wolf, the managers and co-owners of Bella Bridesmaids Franchise Group, LLC. Both training instructors have operated Bella Bridesmaids franchises since June 2007. Collectively, the training instructors have over 200 hours of Bella Bridesmaids training experience. In addition, Colleen Warner, Kelly Ward, Danielle Davila, and Jackie Gessert will provide training on showroom day-to-day operations, including the technology and Virtual Showroom. Kelly Ward is currently the Chicago Store Manager and has been with Bella Bridesmaids for over six years. Danielle Davila currently manages the E-Commerce and Technology Departments and has been with Bella Bridesmaids for over seven years. Jackie Gessert manages the Processing Department and is a Senior Stylist in the Chicago location; she has been with Bella Bridesmaids for over six years.

The training programs are conducted for each new opening and as needed, or upon request for additional training. We reserve the right to modify our training program, as we, in our sole discretion, deem advisable. Our initial training program is as follows:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Office and Retail Operations	5	5	Existing Bella Bridesmaids showroom or other location specified by us
Purchasing	3	1	Existing Bella Bridesmaids showroom or other location specified by us
Human Resources	2	1	Existing Bella Bridesmaids showroom or other location specified by us

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Advertising	2	1	Existing Bella Bridesmaids showroom or other location specified by us
Customer Service	3	3	Existing Bella Bridesmaids showroom or other location specified by us

ITEM 12. TERRITORY

When we approve your showroom location, we will designate a defined area as your protected territory. We will not establish a company operated or franchised Bella Bridesmaids showroom in that territory. There is no minimum protected territory.

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

We grant you a franchise for a particular physical location only. You do not have any options or rights of first refusal or similar rights adjacent to your territory or anywhere else. The Franchise Agreement does not convey, vest, or provide any rights to you to acquire additional franchises.

You may solicit customers from outside your territory and provide dresses and other products to customers from other Territories who come to or call your showroom location, but you may operate only from the accepted location and may not use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your territory.. We and other franchisees may solicit customers and sales in your territory and sell dresses and other products to customers from your territory who come to or call upon their showroom. No compensation is owed to you by us or other franchisees if we or they solicit customers in your territory. Likewise, you do not owe us or other franchisees any compensation if you solicit customers in ours or other franchisees' territories. However, out of respect to other locations and to foster goodwill across our system, once a customer begins a search for dresses and/or other products at a certain location, it is our policy to encourage the customer to remain working with such location and not switch to another location. You may not solicit employees from another Bella Bridesmaids franchise.

We may sell Bella Bridesmaids products in other channels of trade such as retail department stores. Those outlets may be in your territory.

We may use or allow others to use our marks within your territory (Franchise Agreement, Section 1.2). We are not restricted from establishing other franchised or company-owned outlets or other channels of distribution selling similar products or

services under a different trademark. We have not established and at this time have no intention of establishing other franchises, company-owned outlets, or other channels of distribution that will conduct a business similar to your Bella Bridesmaids showroom under a different trademark.

You must promote, market, and engage in the business of operating your Bella Bridesmaids showroom diligently and effectively, develop the full potential of the business, and devote and focus sufficient attention and efforts to its promotion and operation to achieve those results. If you do not maintain average monthly sales volume and visibility that we deem adequate for your territory, we may terminate your franchise. After your first 6 month period of operation, you must generate Gross Revenue equal to at least \$50,000 per calendar 6 month period. (See Franchise Agreement, Section 13.5). Prior to terminating the Franchise Agreement, we will give you a period of 90 days to increase sales volume to a level consistent with your showroom’s prior year’s sales volume for the quarter reflected during the 90-day period.

If you lose the right to occupy the franchise location through no fault of yours, we may approve a relocation of the business under certain conditions. You must notify us within 30 days of the event that triggered the need for relocation, diligently pursue selection and our approval of an alternate location on the same terms as the process for your existing location, including approval of the build out, décor and furnishings. You must obtain a lease with the required terms, make necessary improvements to comply with our standards and commence operation within 180 days from first learning that you lost the right to occupy your existing location. The Franchise Agreement will be amended to reflect your new location.

ITEM 13. TRADEMARKS

We grant you the nonexclusive right to use certain trademarks, service marks, trade names, logos, and other commercial symbols in connection with the operation of your Bella Bridesmaids showroom in accordance with the terms of your Franchise Agreement.

Our principal mark is composed of the words “Bella Bridesmaids” with the design of a bouquet as shown on the cover page of this Disclosure Document and in the table below. In addition, we maintain the legacy design mark of a dress on a hanger.

	USPTO Registration No. 4601306 Registration Date: September 9, 2014 Renewal Date: September 9, 2024
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<p>BELLA BRIDESMAIDS</p>	<p>USPTO Serial No. 4623890 Registration Date: October 21, 2014 Renewal Date: October 21, 2024</p>
	<p>USPTO Registration No. 3114088 Registration Date: July 11, 2006 Sections 8 and 15 declarations were accepted and acknowledged on September 9, 2011. Renewed: September 29, 2016 Renewal Date: July 11, 2026</p>

All the marks are registered on the Principal Register. No filings are due to maintain or renew the marks. In addition, we claim common law rights to “BELLA BRIDESMAIDS” and other marks in the areas where we use them.

All required affidavits have been filed for the marks in the table above.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board or any other trademark administrator or any court, pending interference, opposition, or cancellation proceeding, or any pending material litigation involving the principal mark.

We monitor potential conflicts with regard to the use of the Bella Bridesmaids marks. We are presently unaware of any infringement that could materially affect your use of the Bella Bridesmaids marks.

There are no agreements currently in effect that significantly limit the Company's rights to use or license the use of the principal mark in any manner material to the franchise.

In our sole discretion, we may act to protect any and all rights that you have to use the Bella Bridesmaids marks as provided in the Franchise Agreement and to protect you against claims of infringement or unfair competition related to your use of the Bella Bridesmaids marks.

You are obligated under the terms of the Franchise Agreement to notify us in writing immediately upon learning of any known or suspected infringements, imitations, or unauthorized uses of our Bella Bridesmaids marks (as defined in the Franchise

Agreement). You are obligated to fully cooperate with us in the prosecution of any action to prevent the infringement, imitation, or illegal use of the Bella Bridesmaids marks and agree to be named as a party in any action at our request. We will bear the legal expense incident to your participation at our request in any action, except for the cost of any independent legal counsel retained by you. We are entitled to retain all awards or settlement payments obtained in any action. Other than as described above, we have no obligation to participate in your defense and/or to indemnify you for damages or expenses incurred if you are a party to any administrative or judicial proceedings involving our Bella Bridesmaids marks licensed to you.

We have the right to require you to discontinue the use of any Bella Bridesmaids marks, upon termination of the Franchise Agreement, either by default or at the expiration of the term, as described in the Franchise Agreement. We may require you to modify or discontinue use of any of the Bella Bridesmaids marks, either as a result of actions or claims by a third party related to any or all of the Bella Bridesmaids marks, or for any other reason. In this case, we will provide an alternate successor name under which you must do business should you be required to discontinue the use of any existing Bella Bridesmaids marks. We are not required to reimburse you for your expenses in modifying or discontinuing the use of a Bella Bridesmaids mark, including replacing your signage; for any loss of goodwill associated with any modified or discontinued Bella Bridesmaids mark; or for any expenditures made by you to promote a modified or substitute trademark.

Under the Franchise Agreement, you acknowledge our exclusive right, title, and interest in and to the Bella Bridesmaids marks, along with the identification schemes, standards, specifications, operating procedures, and other concepts embodied in the Bella Bridesmaids method. Except as expressly provided by the Franchise Agreement, you acquire no right, title, or interest in the Bella Bridesmaids marks or the Bella Bridesmaids method, and any and all goodwill associated with the Bella Bridesmaids method and the Bella Bridesmaids marks inures exclusively to our benefit. You acknowledge that the use of the Bella Bridesmaids marks outside the scope of the Franchise Agreement without our prior written consent is an infringement of our right, title, and interest in and to the Bella Bridesmaids marks. You expressly covenant that, during the term of the Franchise Agreement and after its expiration or termination, you will not, directly or indirectly, commit any act of infringement or contest, or aid in contesting, the validity or ownership of the Bella Bridesmaids marks or take any other action in derogation of the Bella Bridesmaids marks anywhere in the world.

We are not aware of any superior rights or infringing uses that could materially affect your use of the principal trademarks in the state were the Franchised Location will be.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We acquired a copyright registration for the Bella Bridesmaids Design that was issued on July 16, 2010. The Registration Number is VA 1-730-616.

You do not receive the right to use any item covered by a patent. You will also receive the right to use the Bella Owners Manuals. We do not have any pending patent applications material to the franchise.

The Bella Owners Manuals are described in Item 11. Item 11 also describes limitations on the use of these manuals by you and your employees.

You agree not to contest our interest in any of our proprietary information. If you learn about unauthorized use of any of our proprietary information you must promptly report it to us. We are not obligated to take any action. We will indemnify you for losses recovered by a third party against you because of claims of infringement or misappropriation of proprietary information, patents, or copyrights based on your authorized use of our proprietary information.

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

A Trained Employee must personally operate your Bella Bridesmaids showroom at all times that your showroom is open. (Franchise Agreement, Section 7.1) The general manager must be present at and work in your Bella Bridesmaids showroom no less than 40 hours per week, and supervise, oversee, administer, and manage operation of the showroom to ensure the viability and success of the franchise. The general manager cannot have any other employment during normal business hours. If you are a business entity, there is no requirement for the general manager to have any equity interest in your business. You may participate in other business ventures or in personal passive investments for your own account if those investments or ventures do not include other boutiques, or showrooms, or businesses that may compete with Bella Bridesmaids, unless you have obtained our prior written consent and those pursuits do not prevent you from devoting sufficient time to the oversight and administration of your Bella Bridesmaids showrooms.

The general manager and other key personnel must successfully complete Bella Bridesmaid's training, as more fully described in Item 11 of this Disclosure Document and Section 7.1 of the Franchise Agreement.

You must review and comply with the requirements and guidelines contained in the Bella Owners Manuals, as amended from time to time, at all times during the operation of your franchise. Bella Owners Manuals are designed to, among other things, assist our franchisees in the day-to-day operation of their franchises, to insure the quality of Bella Bridesmaids experience at each franchised showroom and to provide for the efficient management of our franchise system. We may modify the Bella Owners Manuals in our sole discretion, but the modifications will not alter materially your status and rights under the Franchise Agreement. We will provide you with written copies of any such amendments. The version of the Bella Owners Manuals maintained at our offices will be the official version.

All of the owners of the Franchise and their spouses will be required to execute personal guarantees. This requirement places the personal and marital assets of the franchise owner(s) at risk.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell approved products in the manner we prescribe. Approved products currently include bridesmaid dresses, wedding apparel, accessories and other products we may approve, which must be purchased from our approved supplier list (see Item 8). The approved products and approved suppliers may vary by market area and according to other circumstances. We can change the approved products, but not so that it fundamentally alters the nature of the Franchised Business.

You must sell only to retail customers through your showroom. You may not sell to any customers at wholesale or by catalog or by way of the Internet (e.g., through EBay or other e-commerce methods) or at any trade shows, trunk shows, booths, kiosks or other off-site locations.

You must focus your marketing efforts on your territory and abide by our policies and procedures for any sales, advertising or marketing activities outside of the territory. We reserve the right to determine in its sole discretion what action is appropriate to take with respect to any franchisee that does not abide by these policies and procedures. These policies could restrict your sales to some customers outside of your territory, for example, where the customer is located within the territory or market area of another showroom.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	4	The initial term is 5 years.
b. Renewal or extension of the term	21	Yes, for two (2) consecutive 5 year terms

Provision	Section in Franchise or Other Agreement	Summary
		You may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreement.
c. Requirements for you to renew or extend	21	In good standing, written notice, full compliance, right to occupy same location, sign new agreement (which may have materially different terms than original contract); pay renewal fee; sign general release; comply with any training requirements; renovate and refurbish to our current standards.
d. Termination by you	None	Not permitted.
e. Termination by us without cause	None	Not permitted.
f. Termination by franchisor with cause	22	We can terminate only if you default.
g. "Cause" defined - curable defaults	22	Failure to pay, deliver proof of insurance, release any levy, actively operate the showroom and accept appointments during at least 48 weeks of each operating year; fail to comply with operational, product, sample, and trademark standards after 3 days' notice; fail to make report, maintain records, comply with laws, or fail to perform duties and conditions after 10 days' notice; fail to satisfy a judgment for 30 days; fail to pay creditors within 45 days after due date; fail to stay any bankruptcy or insolvency for 60 days.
h. "Cause" defined - defaults which cannot be cured	22	Make a material misrepresentation, fail to locate or open on time, fail to complete training, fail to occupy location, fail to maintain financial ability to operate franchise, violate restrictions on use of trademarks, disclose confidential information, understate revenues by more than 2% on 3 occasions, fail to cause a Trained Employee to manage the Franchised Location as required, allow insurance to be cancelled, fail to name us as additional insured, unauthorized transfer, abandonment, fail to pay or comply with covenants 3 times in 12 month period, repeated uncured defaults, commence a bankruptcy or insolvency proceeding, or commit felony or some act that materially endangers our reputation.

Provision	Section in Franchise or Other Agreement	Summary
i. Franchisee's obligations on termination/nonrenewal	23, 24	Cease operating as franchisee or use confidential information, maintain confidentiality, return Bella Owners Manuals and other materials, transfer lease, phone numbers, licenses, and permits, pay all amounts due and damages including royalties through term, comply with covenants.
j. Assignment of contract by Bella Bridesmaids	n/a	We may assign to a third-party.
k. "Transfer" by franchisee - defined	17	Includes transfer of contract or assets or controlling ownership change, as well as pledges and similar encumbrances. You must give us notice of any proposed transfer.
l. Franchisor approval of transfer by franchisee	18	We have the exclusive right to approve all transfers but will not unreasonably withhold such approval. We may condition transfer to an entity on transferor's personal guaranty.
m. Conditions for franchisor approval of transfer	18, 20	New franchisee qualifies and acquires right to occupy showroom premises, transfer fee paid, purchase agreement approved, training completed, release signed by you, and current agreement signed by new franchisee (also see (r) below).
n. Franchisor's right of first refusal to acquire franchisee's business	18	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	None	
p. Death or disability of franchisee	19	We may require sale to third party, subject to right of first refusal, and can require interim manager. If sale is not required, heir or successor must complete initial training.
q. Non-competition covenants during the term of the franchise	10	No involvement in any other bridesmaid dress boutique or showroom, or any other establishment offering to sell bridesmaid dresses, wedding apparel, or special occasion apparel.
r. Non-competition covenants after the	10	No involvement in any other bridesmaid dress boutique or showroom, or any other

Provision	Section in Franchise or Other Agreement	Summary
franchise is terminated or expires		establishment offering to sell bridesmaid dresses, wedding apparel, or special occasion apparel within a 50-mile radius of boundaries of your or any other Bella Bridesmaids showroom for 2 years.
s. Modification of the Agreement	29	Modifications only if signed by both parties, but the Bella Owners Manuals are subject to change. Nothing in the agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.
t. Integration/merger clause	29	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.
u. Dispute resolution by arbitration or mediation	27	After the parties have concluded their in-person negotiation, upon the demand of any party, any Dispute shall be determined by arbitration in the city closest to our headquarters (currently Chicago, Illinois) before one arbitrator.
v. Choice of forum	27	Litigation is to be conducted exclusively in Chicago, Illinois, except as provided to the contrary by nonwaivable provisions of applicable law.
w. Choice of law	27	Federal law applies to trademark and copyright issues. Illinois law applies to all other issues, except as provided to the contrary by nonwaivable provisions of applicable law.

NOTE: California law will govern any claims arising under Article 10 of the Franchise Agreement (Noncompetition) with respect to a California franchisee. For franchisees in other states, claims arising under Article 10 of the Franchise Agreement (Noncompetition) will be governed by the laws of your state. Please see the California addendum to the franchise disclosure document in **Exhibit H** for California's required disclosures.

Any general release required upon any renewal (if offered) or transfer of the franchise will exclude claims arising under the Maryland Franchise Registration and Disclosure Law. Under California law, a general release required upon renewal of the franchise will exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act. A form of general release is attached as part of **Exhibit C** of this Disclosure Document.

ITEM 18. PUBLIC FIGURES

We do not presently use any public figure(s) to promote Bella Bridesmaids. We may elect to do so at any future time.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

This financial performance representation includes only information about past results. It relates to the performance of all Bella Bridesmaids stores that were operational for the entire 2023 calendar year. The term "gross revenue" as used in this Item, means the total selling price of all goods and services generated at the Bella Bridesmaids store, including income from for-profit events held promoting Bella Bridesmaids and all other revenue derived from the operation of the store. Gross revenue does not include wholesale items, shipping and handling fees, employee discounts, refunds to customers, and sales tax.

In the calendar year 2023, a total of 45 Bella Bridesmaids stores were operational the entire year (One store was transferred in May from a franchise owned store to an affiliated company owned store. One store was transferred in October from a franchise owned store to an affiliated company store.) 2 were affiliated company owned stores for the entire year. For the remaining 41 franchised stores, the average annual gross revenue in the calendar year 2023 was \$363,289, with the median annual gross revenue being \$290,315. The highest performing franchised store achieved gross revenue of \$1,000,688 and the lowest performing franchised store achieved gross revenue of \$84,031. Of the 41 franchised Bella Bridesmaids stores, 14 (or 34.14% attained or surpassed the average gross revenue for 2023.

Our 4 affiliated company owned Bella Bridesmaids stores had annual gross revenue in the calendar year 2023 of \$1,898,657.

For all 45 Bella Bridesmaids stores that were operational for the entire 2023 calendar year (inclusive of the 4 company owned stores), the average gross revenues were \$373,189, with the median annual gross revenue being \$290,315. The highest performing store achieved gross revenue of \$1,000,688 and the lowest performing store achieved gross revenue of \$84,030.64. Of the 45 Bella Bridesmaids stores, 16 (or 35.55%) attained or surpassed the average gross revenue for 2023.

Written substantiation for the financial performance representations will be made available to you upon reasonable request.

Some stores have earned this much. Your individual results may differ. There is no assurance that you will earn as much.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
Systemwide Outlet Summary
For the Years of 2021, 2022, and 2023**

Outlet Type	Year	Outlets at Start of Year	Outlets at the End of the Year	Net Change
Franchised	2021	57	57	0
	2022	57	55	-2
	2023	55	41	-14
Company-Owned	2021	1	1	0
	2022	1	2	+1
	2023	2	4	+2
Total Outlets	2021	58	58	0
	2022	58	57	-1
	2023	57	45	-12

**TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For the Years of 2021, 2022, and 2023**

State	Year	Number of Transfers
Alabama	2021	0
	2022	0
	2023	1
California	2021	0
	2022	0
	2023	1
Florida	2021	1
	2022	0
	2023	0
Kansas	2021	0
	2022	0
	2023	1
Louisiana	2021	0
	2022	1
	2023	0
Maryland	2021	0
	2022	0
	2023	1

State	Year	Number of Transfers
Nevada	2021	0
	2022	0
	2023	1
New Jersey	2021	0
	2022	0
	2023	1
North Carolina	2021	0
	2022	0
	2023	1
Pennsylvania	2021	0
	2022	0
	2023	1
South Carolina	2021	0
	2022	0
	2023	1
Tennessee	2021	0
	2022	0
	2023	1
Total	2021	1
	2022	1
	2023	10

**TABLE NO. 3
Status of Franchised Outlets
For the Years of 2021, 2022, and 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
California	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
	2021	1	0	0	0	0	0	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
Colorado	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Connecticut	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Florida	2021	6	0	0	0	0	0	6
	2022	6	0	1	0	0	0	5
	2023	5	0	0	0	2	2	1
Georgia	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Illinois	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Louisiana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	1	0	0	0	0	0	1
	2022	1	0	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	1	0
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	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
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	1	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Ohio	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	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	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	2	1
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Tennessee	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Texas	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	2	2
Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
District of Columbia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	57	0	0	0	0	0	57
	2022	57	0	1	0	1	0	55
	2023	55	0	1	0	2	11	41

TABLE NO. 4
Status of Company-Owned Outlets
For Fiscal Years of 2021, 2022, and 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
Florida	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	2	0	0	2
Illinois	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
New York	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	0	0	0	1
Total	2021	1	0	0	0	0	1
	2022	1	0	1	0	0	2
	2023	2	0	2	0	0	4

TABLE NO. 5
Projected New Franchised Outlets As of December 31, 2023

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

A list of the names of all franchisees, and the address and telephone numbers of their franchises is provided in **Exhibit F** 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 had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed on **Exhibit G** 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 3 fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with us.

There are no trademark-specific organizations formed by our franchisees that are associated with us.

ITEM 21. FINANCIAL STATEMENTS

Bella Bridesmaids' fiscal year ends December 31st. Bella Bridesmaids' audited balance sheet, statement of income and members' equity, and statement of cash flows for the years ended December 31, 2021, 2022 and 2023, as well as unaudited financial statements as of April 30, 2024, are attached to this Disclosure Document as **Exhibit D**.

ITEM 22. CONTRACTS

Our Franchise Agreement and all exhibits to the Franchise Agreement (including a property interest (spousal) consent and waiver; guaranty and assumption of obligations; assignment of telephone numbers, facsimile numbers, email addresses, URLs, and social media access credentials, and special power of attorney; electronic funds transfer authorization; a non-disclosure and non-competition agreement; renewal agreement; and release) are attached as **Exhibit C** to this Disclosure Document.

ITEM 23. RECEIPT

The last page of this disclosure document is a detachable document acknowledging your receipt of the disclosure document. If this page or any other pages or exhibits are missing from your copy, please contact Kathleen Casey or Erin Casey Wolf, in care of Bella Bridesmaids Franchise Group, LLC, 1 East Delaware, Suite 301, Chicago, Illinois, 60611, 312-943-0344.

[Remainder of Page Intentionally Left Blank]

EXHIBIT A

STATE FRANCHISE ADMINISTRATORS

Listed here are the names, addresses, and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We are not registered to sell franchises in all of these states.

California

California Department of Financial Protection & Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344
(866) 275-2677

Hawaii

Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, HI 96813
(808) 586-2722

Illinois

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

Indiana

Franchise Division
Office of Secretary of State
302 West Washington Street, Room E111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Franchise Office
Division of Securities
200 St. Paul Place, 20th Floor
Baltimore, MD 21202
(410) 576-6360

Michigan

Consumer Protection Division
Franchise Section
Michigan Department of Attorney General
525 W. Ottawa Street
G. Mennan Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Securities Section
85 7th Place East, Suite 280
Saint Paul, MN 55101

New York

Franchise & Securities Division
State Department of Law
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 Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Rhode Island

Franchise Office
Division of Securities
1511 Pontiac Ave.
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9500

South Dakota

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

Virginia

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

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8738

Wisconsin

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
(608) 266-8559

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

California

California Department of Financial Protection & Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

National Registered Agents, Inc.
2875 Michelle Drive
Suite 100
Irvine, CA 92606

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street
Room 204
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Secretary of State
201 State House
200 W. Washington St.
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Michigan Department of Commerce,
Corporations and Securities Bureau
525 West Ottawa
P.O. Box 30212
Williams Building, 7th Floor
Lansing, MI 48909

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York

Secretary of State
State of New York
41 State Street
Albany, NY 12231

North Dakota

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 5th Floor, Dept. 414
Bismarck, ND 58505-0510

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
350 Winter Street, N.E., Room 21
Portland, OR 97310

Rhode Island

Director of Business Regulation
Department of Business Regulation
Division of Securities
State of Rhode Island
1511 Pontiac Ave.
John O. Pastore Complex – Building 69-1
Cranston, RI 02920

South Dakota

Franchise Administration
Department of Labor and Regulation
Division of Insurance
124 South Euclid, Suite 104
Pierre, South Dakota 57501

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 E. Main Street, 1st Floor
Richmond, VA 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Rd., S.W.
Olympia, WA 98501

Wisconsin

Commissioner of Securities
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, WI 53703

EXHIBIT C
FRANCHISE AGREEMENT



BELLA

BRIDESMAIDS

FRANCHISE AGREEMENT

[Location]

[Franchisee]

[Effective Date]

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BELLA BRIDESMAIDS FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“**Franchise Agreement**”) is made and entered into this ____ day of _____, 20__ (“**Effective Date**”) by and between Bella Bridesmaids Franchise Group, LLC, an Illinois limited liability company (referred to as “**we**,” “**us**” or using similar words), and _____, a [[STATE] [ENTITY TYPE] / [individual] residing in [STATE]] (referred to as “**you**” or using similar words).

PRELIMINARY STATEMENTS

A. Our Products and Service. For over a decade, Bella Bridesmaids has been providing bridesmaids with stylish, wearable, and modern bridesmaid dresses. The quaint and inviting showrooms offer a refreshing departure from the usual bridesmaid experience. We provide fresh, sassy, and chic designer dresses in an intimate, upscale, and approachable setting. Realizing the important role of a bridesmaid dress, Bella Bridesmaids provides each bride with personalized attention in a one-on-one environment surrounded by the latest designer bridesmaid dresses.

B. Our System. Bella Bridesmaids has enjoyed great success due to its unique dresses, cozy showrooms, and knowledgeable, friendly bridal experts. Only the best bridesmaid dresses by today’s top designers are found at Bella Bridesmaids. In addition, Bella Bridesmaids offers fun and innovative accessories that make great bridesmaid gifts - a monogrammed bag, satin-edged pashminas, and customizable jewelry - that attend to every fine detail that finishes off the elegant look of a bridesmaid dress.

We have expended substantial time, effort, and money to develop and acquire expertise in the development, operation, and promotion of our specialty bridesmaid showrooms selling select bridesmaid dresses, wedding apparel, and accessories. We employ these unique methods and techniques for establishing and operating showrooms which sell select products designed to appeal to a discerning clientele by employing particular management and operating methods, business standards, know-how, services, sales techniques, personnel training and supervision methods, and marketing, advertising, and promotion techniques as we may adopt from time to time (collectively, the “**Bella System**”), all of which constitute trade secrets and proprietary information belonging to us. The Bella System will be applied to all franchised locations, although we in our business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions.

C. Our Licensed Marks. There is a unique reputation and public recognition for products and services merchandised under the trade name Bella Bridesmaids (the “**Bella Trade Name**”), the trademarks BELLA BRIDESMAID and Design® registered in the United States Patent and Trademark Office under Registration Number 3114088, BELLA BRIDESMAID (Reg. No. 4480935), BELLA BRIDESMAIDS (Serial No. 86191116), the Design of Bouquet (Serial No. 86191127) and certain other trademarks and service marks belonging to us, whether applied for, registered, or protected by

common law anywhere in the world (collectively, with the Bella Trade Name, the “**Bella Marks**”), and there is substantial goodwill associated with the Bella Marks.

D. Our Franchise. We grant our franchisees the right to use the Bella System and Bella Marks in the operation of showrooms at designated locations. You want to engage in the operation of a Bella Bridesmaids showroom at the location described or to be described in **Exhibit A** (the “**Franchised Location**”), using the Bella Marks and Bella System all on the terms and conditions set forth in this Franchise Agreement (the “**Franchise**”), and to receive training and assistance from us. We are willing to permit you to operate a single showroom under the Bella Marks in accordance with the standards embodied in and resulting from the Bella System and this Franchise Agreement.

NOW, THEREFORE, in consideration of the Preliminary Statements, covenants, terms, and conditions set forth in this Franchise Agreement, and their performance, we hereby agree with you as follows.

1. **FRANCHISE.**

1.1 Grant of Franchise.

We grant to you and you accept the non-exclusive right to operate the Franchise as a single retail bridesmaid dress showroom offering bridesmaid dresses, alternative bridal gowns, and accessories utilizing the Bella Marks and Bella System at the Franchised Location. You agree to use the Bella Marks and Bella System as they may be improved, changed, or further developed from time to time strictly according to this Franchise Agreement and our standards.

1.2 Protected Territory.

So long as you comply with the covenants, terms, and conditions of this Franchise Agreement, we will not at any time during the Initial Term (as defined below) establish any other Bella Bridesmaids showroom, nor grant to any other person or entity a license to use the Bella Marks or Bella System in connection with the operation of a Bella Bridesmaids showroom in the territory described or to be described in **Exhibit A** (the “**Territory**”).

1.3 Other Franchise Agreements.

You acknowledge that you are aware that we have in the past entered into and may in the future enter into franchise agreements with you or other franchisees at other locations containing terms and provisions different from those contained in this Franchise Agreement. You are also aware that our obligations and rights in respect to our various franchisees may differ materially in certain circumstances. You further acknowledge that if you enter into any other franchise agreements with us for locations other than the Franchised Location, the other franchise agreements may contain terms different from the terms of this Franchise Agreement. You acknowledge and agree that

you are not entitled to require us to grant you any rights, terms, or conditions that may be contained in any other franchise agreements we offer to others from time to time.

1.4 Retained Rights.

Other than the rights granted to you under this Franchise Agreement, we retain all rights, including, but not limited to the right to:

(A) operate or license others to operate Bella Bridesmaids showrooms at any location outside the Territory;

(B) establish and operate, and to license others to establish and operate, other businesses including similar showroom and boutique concepts, using trademarks, service marks, and commercial symbols that are not the same as or confusingly similar to the Bella Marks, both within and outside of the Territory;

(C) acquire any Competitive Business with locations in the Territory;

(D) conduct and control internet and social media presence, marketing and promotion;

(E) provide services and sell any products bearing the Bella Marks or other trademarks and commercial symbols through alternate channels of distribution, such as wholesale sale and/or distribution of products or services, joint marketing with partner companies, direct mail, setting up an e-commerce site, otherwise through the internet, and catalogue sales; and

(F) engage in activities not expressly forbidden by this Franchise Agreement.

1.5 Grant of Security Interest.

In the event of a default by you with respect to your obligations under this Franchise Agreement, we will need to protect our interests in amounts that you owe to us. Accordingly, to ensure your faithful performance of all of the terms and obligations of this Franchise Agreement and in consideration of our grant of the Franchise to you, you hereby grant to us a security interest in the Franchise and all assets associated therewith, including, without limitation, all furniture, fixtures, equipment, leasehold improvements, inventory, and goodwill whether now owned or hereafter acquired. This Franchise Agreement shall constitute a "security agreement" within the meaning of Article 9 of the Uniform Commercial Code ("**UCC**"). We are hereby authorized to prepare and file such UCC financing statements and other instruments as we deem necessary to perfect the foregoing security interest. You agree to perform all acts and to execute all instruments that we may require to perfect such security interest and to assure its continued perfection and priority until all of your obligations to us under this Franchise Agreement have been completely fulfilled. Upon an event of default hereunder, we will have all of the rights of a secured party under the UCC. We agree, however, that in the event that you reasonably determine that your business would

benefit from bank financing, for example, a business line of credit, and we approve of the terms of such financing, we will subordinate our security interest in all of your assets (with the exception of the Franchise itself) to that of your bank.

2. CONFIDENTIAL INFORMATION.

2.1 Confidential Information Definition.

(A) We will disclose Confidential Information to you during the course of this franchise relationship. “**Confidential Information**” includes, but is not limited to: the information contained in the Bella Owner’s Manuals and all other proprietary or confidential information, trade secrets, processes, methods, procedures, techniques, and materials revealed or provided to you by us, unpublished lists of franchisees and suppliers, suggested pricing and cost information developed by us from time to time. You agree that all of that information and all information we designate as proprietary information will be presumed to be proprietary information and trade secrets belonging to us, except to the extent that you conclusively prove that any of it is not Confidential Information under the exclusions listed below.

(B) Confidential Information shall not include any information that: (i) was publicly known and made generally available in the public domain prior to the time of disclosure by us; (ii) becomes publicly known and made generally available after disclosure by us to you through no action or inaction by you; (iii) is already in your possession at the time of disclosure by us as shown by your files and records immediately prior to the time of disclosure; (iv) is obtained by you from a third party without a breach of such third party’s obligations of confidentiality; or (v) is independently developed by you without use of or reference to our Confidential Information, as shown by documents and other competent evidence in your possession.

2.2 Requirement of Confidentiality, Indemnification, and Bound Parties.

You will not acquire any interest in the Confidential Information, other than the limited right to use it to operate the Franchise. You agree that the Confidential Information is proprietary, includes our trade secrets, and that you:

(A) will maintain the absolute confidentiality of the Confidential Information during and after the Term;

(B) will not use the Confidential Information in any other business or capacity;

(C) will not make or permit the making of any unauthorized copies of any portion of the Confidential Information disclosed in any form;

(D) will not enter any Confidential Information, personal, or Bella System information (including text, images, photos, graphics, video, audio) into a prompt for an artificial intelligence tool (“AI Tool”) unless authorized by the Bella Owners Manuals or our then-current policy. “AI Tool” means any and all machine learning, deep

learning, generative and other artificial intelligence technologies including large language models, learning algorithms, software implementations of any of the foregoing and related equipment (such as ChatGPT, GPT-4, OpenAI, Midjourney, Dall-E2 and the like);

(E) will limit exposure to the Confidential Information solely to those in a confidential relationship with us;

(F) will prevent disassembly or the removal of pages from the Bella Owners Manuals;

(G) will adopt and implement all reasonable procedures prescribed by us to prevent unauthorized use or disclosure of the Confidential Information.

(H) will not contest our right to exclusively use the Confidential Information; and

(I) will immediately report to us any use of the Confidential Information by any party that you know or suspect to be unauthorized.

You agree to indemnify, defend, and hold us harmless for our losses due to your negligent or intentional disclosure and/or misuse of any Confidential Information and the Bella Marks. You agree to enforce these provisions as to your Affiliates, officers, directors, shareholders, managers, members, partners, owners, employees, agents, spouse, domestic partner, immediate family members, and representatives (collectively, the “**Bound Parties**”). As used in this Agreement, “**Affiliate**” with respect to any person means any other person who directly or indirectly controls, is controlled by, or is under common control with such person including, in the case of any person who is an individual, his or her spouse, domestic partner, any of his or her descendants (lineal or adopted) or ancestors, and any of their spouses.

3. TRADE NAME, TRADEMARKS, SERVICE MARKS, AND TRADE SECRET LICENSE.

3.1 Grant of License.

We hereby grant you the right to use the Bella Marks and Bella System for the Term, solely in connection with the operation of the Franchise, subject to and on all the terms and conditions set forth in this Franchise Agreement.

3.2 Restricted and Required Use.

(A) You will use the Bella Marks and Bella System solely in connection with the operation of the Franchise. You will adopt and strictly adhere to the Bella System, as supplemented or modified by us from time to time, in the conduct of the Franchise and use of the Franchised Location, and will use only the Bella Marks, without any prefix, suffix, modifier, or other descriptive term, to describe and identify the Franchised Location, the products sold from it, and the Franchise. If you are an entity or

at any time operate the Franchise through an entity, you will not use any of the Bella Marks, or any derivative of any of them (e.g., “Bella Brides NYC”, “Texas Bridesmaids, Inc.” or “Bella Boston Bridesmaids”), or any similar name in your entity name.

(B) We may require you to modify or discontinue use of the Bella Marks and/or use one or more additional or substitute names or marks if we deem modification or discontinuance necessary or desirable. Should we require you to modify or discontinue use of the Bella Marks, you will bear all costs associated with such change. We will not be required to reimburse you for any resulting loss or related expenses.

3.3 Protection of Trade Name, Marks, and Trade Secrets.

(A) You will do all things necessary to prevent your authorized use of the Bella Marks from diminishing the legal protection granted to the Bella Marks and will accompany your use of the Bella Marks with notices appropriate for that purpose. You will cause to be filed all statements appropriate or necessary to protect our rights in the Bella Marks in connection with your use of any of them, including (without limitation) assumed or fictitious business name statements.

(B) You will do all things necessary to preserve the confidentiality of the Bella System, the information contained in the Décor Guide (“**Décor Guide**”), the Style Guide (“**Style Guide**”), the Operations Manual (“**Operations Manual**”), described in Section 9.1 (Bella Owners Manuals and Confidential Documents) (as amended from time to time, collectively, the “**Bella Owners Manuals**”), and any other proprietary information that you learn by being our franchisee. You will not at any time, directly or indirectly, disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Bella System, any of the information contained in the Bella Owners Manuals or any of the Confidential Information to any person or entity. You will cause each of your employees who has access to the Bella System, the information contained in the Bella Owners Manuals, or any of the Other Proprietary Information, to sign and deliver to us a Bella Nondisclosure Agreement. Nothing in this Franchise Agreement or elsewhere will be construed to give you any right to disclose, duplicate, license, reveal, or sell the Bella System, the contents of the Bella Owners Manuals, or any of the Other Confidential Information to any person or entity.

(C) You will notify us of any infringement of, challenge to, or unauthorized use of the Bella Marks that comes to your attention. We will have sole and complete discretion regarding whether to take any action and what action to take in response to any infringement, challenge, or use.

(D) We will indemnify and hold you harmless from all costs and expenses incurred by you (including reasonable attorneys’ fees, unless we have offered to provide counsel for you and you have elected to proceed with your own counsel) in any action or proceeding for infringement brought against you by any party other than us arising out of your authorized use of the Bella Marks; provided, however, that you must comply with our reasonable instructions in connection with such indemnification, including for example, our instruction to cease using a particular portion of the Bella

Marks. We will have the right, but no obligation, to control any litigation involving the Bella Marks.

3.4 Ownership of Trademarks and Trade Secrets.

(A) Bella Marks, Bella System and the Confidential Information are, and will remain, our sole and exclusive property and are merely licensed to you for a limited period, on specified terms and conditions, and for limited usage. You will not register or assist others to register or use the Bella Marks anywhere in the world, with the exception of any approved fictitious business name filings referenced in Section 3.3(A).

(B) Nothing in this Franchise Agreement will be construed to authorize or permit your use of the Bella Marks, Bella System or the Confidential Information for any purpose or at any location other than as described in Section 3.2 (Restricted and Required Use). Nothing in this Franchise Agreement will give you any right, title, or interest in or to the Bella Marks, Bella System, the Confidential Information, or any other trade names, trademarks, service marks, insignia, symbols, labels, designs, logotypes, copyrighted material, or goodwill now or hereafter owned by or associated with us, except a mere privilege and license to display and use the Bella Marks and to employ the Bella System for the Term and on the terms and conditions set forth in this Franchise Agreement.

(C) You will not at any time directly or indirectly contest our right to, title to, ownership of, or interest in the Bella Marks, Bella System or the Confidential Information, or our sole and exclusive right to register, use, and license others to use the Bella Marks, Bella System and the Confidential Information anywhere in the world.

4. TERM.

The Initial Term of this Franchise Agreement will begin as of the Effective Date, and end on the fifth (5th) year anniversary thereof (the “**Initial Term**”), unless this Franchise Agreement is cancelled or terminated in accordance with its terms prior to its expiration. After the Initial Term, you may renew the Franchise subject to the conditions and limitations contained in Section 21 (Renewal) and elsewhere in this Franchise Agreement.

5. LOCATION, RELOCATION, LEASE TERMS, IMPROVEMENTS, REFURBISHMENT, MAINTENANCE, INSPECTION.

5.1 Location Selection.

(A) If the Franchised Location is not set forth on **Exhibit A** on the date of this Franchise Agreement, we will provide you with general guidance concerning site selection and will provide you with any standards and requirements for the showroom location. You must select and lease or buy the location for the showroom consistent with the standards and requirements provided by us. Without limiting the foregoing, the location must be located in an area zoned for commercial or retail use, may not be

located within your home or any residence, dwelling, or live/work loft, and must include a traditional changing room within the confines of the showroom. You are solely responsible for identifying and securing a suitable location for the Franchise. Upon identifying a location that you believe is suitable for the Franchise, you will promptly submit to us a site acceptance request for such prospective location for the Franchise, this request must be submitted within one hundred twenty (120) days from the execution of this Franchise Agreement. You will submit to us photographs, demographic information, and other information about the location and its surrounding area as reasonably requested. We shall have the right but not the obligation to inspect any proposed location. We will give you notice of our acceptance or denial of each proposed location for the Franchise within fourteen (14) days after we receive a complete site acceptance request packet and any other information that we request regarding the proposed location. If we determine that a proposed location for the Franchise is unsatisfactory, you will continue diligent efforts to locate a suitable site and may propose other prospective locations for the Franchise until a proposed location is agreed upon and accepted by us. Upon selection and acceptance of the Franchised Location, its address will be set forth in **Exhibit A**, which will then be signed and dated by you and us. You shall obtain our prior written acceptance of any location before committing to such location.

(B) You understand and agree that our acceptance of the Franchised Location does not constitute a warranty of the suitability, condition, viability, success, or any other matter pertaining to the Franchised Location.

5.2 Right to Relocate.

If, through no fault of your own you lose the right to occupy the Franchised Location at any time during the Term other than by expiration of your lease of the Franchised Location, you may relocate the Franchise to another location approved by us within the Territory, if: (A) as soon as practicable after you learn that your right to occupy the Franchised Location will be terminated and in no event more than thirty (30) days thereafter, we receive written notice of your intention to relocate the Franchise; (B) you diligently pursue the selection and acceptance in accordance (except as to time) with Section 5.1 (Location Selection), procurement on terms complying with Section 5.3 (Lease Terms), improvement in accordance (except as to time) with Section 5.4 (Improvements, Opening), and preparation in accordance (except as to time) with Section 5.1, of an alternate location for the Franchise within the Territory; and (C) within one hundred eighty (180) days after first learning that the right to occupy the Franchised Location will be terminated, you commence operation of the Franchise at the approved new location in full compliance with Section 6 (Fixtures and Computer System, Opening Inventory and Supplies). Upon such relocation, we and you will execute an amendment to **Exhibit A**, setting forth the new location, which will thereafter be the Franchised Location.

5.3 Lease Terms.

(A) If you do not own the Franchised Location, prior to entering into any rental agreement, lease, or other agreement, written or oral, giving you the right to occupy the Franchised Location (“**Your Lease**”), you must submit such lease to us for our review and acceptance. **Our review and acceptance of Your Lease is done exclusively for our own business purpose and does not constitute any advice, either legal or financial. By such review and acceptance we do not and shall not make any representations or warranties as to the fairness or legality of any terms of Your Lease.** Your Lease will contain provisions giving us the right to: (i) receive notice from the landlord of any default by you under Your Lease simultaneously with the delivery of notice to you, but not less than thirty (30) days prior to the termination or cancellation date; (ii) cure any default by you under Your Lease; and (iii) substitute ourselves as tenant, succeed to the tenant’s interest under Your Lease, and cause the landlord to evict you from the Franchised Location if you default under Your Lease or this Franchise Agreement. Not in limitation of the foregoing, Your Lease shall contain the following provisions:

(i) Anything contained in this lease to the contrary notwithstanding, Lessor agrees that, concurrent with the issuance of any notice of default to the Tenant under this lease, Lessor shall provide a copy of such notice to Bella Bridesmaids Franchise Group, LLC, an Illinois limited liability company (BBFG), and BBFG shall have, after the expiration of the period during which the Tenant may cure such default, an additional thirty (30) days to cure, at its sole option, any such default. In addition, in the event of a default, upon notice to Lessor, BBFG may substitute itself or its designee as tenant to succeed the Tenant’s interest under the Lease and cause the Lessor to evict the Tenant from the Franchised Location.

(ii) Anything contained in this lease to the contrary notwithstanding, Lessor agrees that, without its consent, this lease and the right, title and interest of the Tenant hereunder, may be assigned by the tenant to BBFG or its designee, provided that BBFG or its designee shall execute such documents evidencing its agreement to thereafter keep and perform, or cause to be kept and performed, all of the obligations of the Tenant arising under this lease from and after the date of such assignment.

(iii) Lessor agrees to permit the display on the premises of all Bella Marks required by BBFG for its Bella Bridesmaids showroom, subject to applicable laws, codes, and ordinances. Lessor agrees that upon expiration or termination of the Lessee’s Franchise Agreement for the Bella Bridesmaids showroom located at the leased premises, BBFG may enter the leased premises and remove all displays of Bella Marks, and other items identifying “Bella Bridesmaids” or any other marks or indicia belonging to BBFG.

(iv) The parties agree that for the duration of the term of the Lease, the premises will only be used for the operation of a showroom licensed by

BBFG under the mark “Bella Bridesmaids” or under any other marks that Lessee shall be required by BBFG to use in the future.

(B) You hereby irrevocably designate, constitute, and appoint us as your attorney-in-fact to do, at our discretion, all things necessary or desirable to permit us to succeed to your interest in Your Lease upon your default under this Franchise Agreement or Your Lease and/or to cure any default by you under Your Lease. Whether or not we succeed to your interest in Your Lease, you will reimburse us upon demand for all sums expended by us to cure any default by you under Your Lease, together with interest at the lesser of (i) the then-current prime rate plus three percent (3.0%) per month or (ii) the maximum legal rate for commercial transactions in the State of Illinois (the “**Default Interest Rate**”), from the date the monies were expended by us until reimbursement is received.

5.4 Improvements, Opening.

(A) You will submit to us, for our approval, two copies of all plans, diagrams, construction drawings, and similar documents necessary to construct, remodel, alter, improve, fixturize, and equip the Franchised Location so it will comply with the specifications set forth in the Bella Owners Manuals (the “**Specifications**”) and all laws, ordinances, rules, and regulations applicable to the Franchised Location and the Franchise (“**Your Plans**”). We have the right, but not the obligation, to consult with and advise you with respect to the Specifications as requested by you and reasonably necessary for the fulfillment of your obligations pursuant to this Franchise Agreement. Within fifteen (15) business days after our receipt of Your Plans, we will notify you of our approval or disapproval of Your Plans. Should we disapprove of Your Plans, you will submit to us, within ten (10) days after your receipt of notice of our disapproval, a revised set of Your Plans modified to eliminate the cause of our disapproval.

(B) You will not commence any construction, remodeling, alteration, improvement, fixturization, or equipping of the Franchised Location unless and until we have approved Your Plans, as evidenced by our initialing one set of Your Plans and returning it to you, together with written notice to commence the work called for by Your Plans (the “**Improvements**”). **Our approval of Your Plans will not constitute any representation or warranty of regulatory approval, soundness of design, safety, construction feasibility, or any other matter pertaining to Your Plans and shall not constitute a representation, warranty, or guarantee that your Franchise will be successful.** You will rely solely on the design and construction specialists engaged by you for advice regarding design and construction.

(C) You will commence work on the Improvements within thirty (30) days after receipt of our notice to commence work. You will take possession of the Franchised Location and begin operation of the Franchise immediately upon completion of the Improvements and not more than ninety (90) days after the acceptance of the Franchised Location. Provided, however, that if you are unavoidably delayed in or prevented from completing any of your duties pursuant to this Section within the time provided by reason of any unavoidable delay in delivery of supplies or materials, labor

action, power failure, government action, national emergency, act of God, epidemic, or a disaster that is not your fault (“**Force Majeure**”), the time in which you may fulfill your obligations pursuant to this Section will be extended for a period equal to the period of that Force Majeure. You will have the interior of your showroom fully decorated before the showroom is opened for business to the public. All improvements to the Franchised Location and the training of you and your employees will be complete pursuant to Section 7 (Training and Consultation) prior to opening of the Franchised Location (“**Pre-Opening Work**”). Upon our reasonable satisfaction that the Pre-Opening Work has been completed by you, we will provide you notification, in writing, of our reasonable satisfaction with the Pre-Opening Work (“**Opening Certificate**”). You will not open your showroom without first obtaining the Opening Certificate.

(D) We have established and wish to foster a certain image and ambience for all showrooms and the Bella System. You acknowledge that image and ambience are critical to building and maintaining the goodwill and reputation associated with the Bella Marks and the Bella System. Accordingly, you will strictly comply with all standards, specifications or prohibitions issued by us concerning image and ambience. You will decorate and furnish the interior of the Franchised Location in a manner consistent with our standards for a Bella Bridesmaids Franchise. Décor specifications must be made in accordance with the Décor Guide and approved by us, and must incorporate certain elements to create the inviting and cozy atmosphere, and appearance of Bella Bridesmaids showrooms, as outlined in the Bella Owners Manuals and modified by us from time to time. We will work with you to incorporate your ideas into the overall Bella Bridesmaids theme. If you discover an item you would like to incorporate into your showroom and that item is not listed in our Style Guide, you must seek our permission prior to purchasing the item and placing it in your showroom. The style and manner in which the showroom is decorated shall be in good taste as determined by us in our sole discretion.

(E) You will not construct or cause to be constructed at the Franchised Location any improvements or structures other than the Improvements and will not alter the Improvements or the décor or appearance of the Franchised Location without our prior written consent.

5.5 Maintenance, Repair, and Renovation.

You will keep the Franchised Location and all improvements to it, including (without limitation) the Improvements, signs, storefronts, plumbing, wiring, windows, glass, doors, any separate heating and air conditioning system, and interior and exterior walls, in good condition and repair, perform regular maintenance and upkeep, paint as necessary, promptly repair any damage to or wear or deterioration of the Franchised Location and all improvements, signs, and decorations in or on it, and promptly make replacements as necessary.

5.6 Refurbishment.

If you exercise the right to extend the current Term, (i) during the calendar year following the calendar year in which you renew, or (ii) any time your Franchised Location is not in compliance with the specifications set forth in the Bella Owners Manuals, you will refurbish, renovate, and remodel the Franchised Location and cause it to comply with any layout, design, appearance, or other specifications then established for new Bella Bridesmaids franchised locations. Refurbishment will include, to the extent necessary but without limitation, replacement of signs; changes in décor, fixtures, and equipment; restriping or resurfacing of parking areas; interior or exterior painting; and other similar undertakings, but will not include major structural changes or modifications of the basic building design. Refurbishment will be made at your sole cost and expense and will be performed in strict conformity with plans and specifications approved by us in writing. Refurbishment will be completed to our satisfaction prior to the end of the calendar year in which it is required to commence; provided, however, that if you are unavoidably delayed in or prevented from performing your obligation to refurbish by reason of any Force Majeure, then the time in which you may fulfill your obligation to refurbish will be extended for a period equal to the period of that Force Majeure.

5.7 Use, Compliance With Laws.

You will use and operate the Franchised Location only as a Bella Bridesmaids showroom. You will comply with all laws, ordinances, rules, and regulations applicable to the Franchised Location or the Franchise. We may, but have no requirement to, advise you of any legislative or other legal developments that may affect the Franchise. Any information we provide to you does not relieve you of your responsibility to consult with your own legal advisors. You are solely responsible for complying with applicable legal requirements.

5.8 Entry and Inspection, Remedy.

(A) We and our representatives may enter the Franchised Location at any time and may observe the operation of the Franchise and inspect the Franchised Location and the supplies, goods, books, and records located in it to confirm your compliance with each provision of this Franchise Agreement and the Bella Owners Manuals lent to you. Should we or our representatives desire to enter the Franchised Location at any time when you are not open for business, you will arrange for such entry.

(B) Should you fail to comply with the provisions of Sections 5.5 (Maintenance, Repair, and Renovation), 5.6 (Refurbishment), or 5.7 (Use; Compliance with Laws) within ten (10) days after our demand for compliance, we and our representatives may enter the Franchised Location and clean, paint, perform repairs, renovate, refurbish, remove alterations, and make replacements. You will pay us, upon demand, all charges incurred by us for that work, plus interest at the Default Interest Rate, from the date the charges were incurred by us until reimbursement is received.

6. FIXTURES AND COMPUTER SYSTEM, OPENING INVENTORY, AND SUPPLIES.

6.1 Fixtures and Computer System.

(A) Prior to the date you first open the Franchised Location for business (the “**Commencement Date**”) and within the time provided in Section 5.4(C) for you to complete the Improvements, you will acquire and install in the Franchised Location, in accordance with the Specifications, all fixtures described in the Specifications (the “**Fixtures**”), the computer software designated in the Bella Owners Manuals and any other software necessary under this Franchise Agreement (the “**Software**”), and the computer hardware required to run the Software (collectively the Software and the computer hardware are the “**Computer System**”). You are also required to maintain and update the Computer System and Fixtures throughout the Term. However if you are unavoidably delayed in or prevented from installing any or all of the Fixtures or the Computer System by reason of any unavoidable delay in delivery of the Fixtures or the Computer System, unavoidable delay in completion of the Improvements, or some other such Force Majeure, the time in which you may fulfill your obligation pursuant to this Section will be extended for a period equal to the period of such Force Majeure.

(B) The current required Software is Quickbooks accounting software, Squarespace scheduling system, and QVINCI financial reporting software. However we may modify our Fixtures, Computer System, and related requirements from time to time and you will comply with all such changes, modifications and updates by replacing, modifying, or updating the Fixtures and/or Computer System, provided that the requirements imposed are reasonable in terms of cost, frequency of the changes, and the time imposed for full implementation of the changes. Without limiting the foregoing, we reserve the right to develop and modify standards or requirements for a Computer System, computer programs, and/or point of sale system to be used in the Franchise, which may include designated or approved hardware and software components, provided that the cost of acquiring the designated system, program or components shall be reasonable. If any proprietary system or program is adopted, we may require you to sign a license agreement to govern the use of the system or program. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

(C) You must utilize electronic mail and other features available through our website and/or intranet, maintain and use Equipment and internet access sufficient to utilize the website and/or intranet as prescribed by us. You shall abide by any terms of use that apply to our website or any intranet we may develop. The emails, intranet, and website belong to us and shall be used for the Franchise only. We can require use of internet service meeting certain standards or a designated internet service provider. We may modify our website or other on-line services, or adopt new

ones and require you to use them and modify your Fixtures and Computer System and service providers as needed. We reserve the right to establish and require your participation and use of any applications and text messages for mobile phones. You may not create or participate in the creation of or use of any mobile applications for the Bella System and/or your Franchised Location.

(D) You may alter or modify the Fixtures or install in, or place on, the Franchised Location any fixtures other than the Fixtures only after obtaining our prior written consent. You will not encumber or grant any lien against the Fixtures or the Computer System without our prior written consent.

(E) You will maintain all Fixtures and the Computer System in good repair and working order and clean and sanitary condition at all times and will replace them as necessary. Should any Fixture become obsolete, outdated, or mechanically impaired so as to require replacement, you will replace that Fixture with a Fixture that meets the specifications then set forth in the Bella Owners Manuals.

(F) You will not be required to acquire any new Fixture costing more than three percent (3.0%) of your gross revenue during the preceding calendar year.

(G) You shall not install or maintain at the Franchised Location any newspaper racks, video games, gaming machines, games, rides, vending machines, juke boxes, coin operated machines, or any similar devices without our prior written approval.

6.2 Opening Inventory and Supplies.

Prior to the Commencement Date, you will cause the Franchised Location to be stocked with the samples and products from an approved or designated vendor list maintained and disseminated by us as part of the Bella Owners Manuals (the “**Approved Vendor List**”). We will give you a copy of the current Approved Vendor List upon execution of this Franchise Agreement. To the extent requested by you, we will assist you in making initial contact with any vendors included in Approved Vendor List or any vendors we designate (the “**Approved Vendors**”). Please note that for any given item there may only be a single Approved Vendor.

7. **TRAINING AND CONSULTATION.**

7.1 Minimum Training and Competency.

(A) You must successfully complete the training described in this Section 7 to our satisfaction before opening your Franchise. You may be required to travel to Chicago, IL (or another location that we designate) for this training.

(B) If you are not personally operating your Franchise and working as the general manager, then prior to the Commencement Date you must designate a general manager who will operate your Franchise (the “**General Manager**”). Your General Manager must execute the Bella Bridesmaids Nondisclosure Agreement before

her or his first day of employment and before having any access to Confidential Information. Your General Manager must complete the required training to our satisfaction before operating your Franchise. It may be useful to you if your General Manager has experience operating a bridesmaid dress (or similar) showroom.

(C) The person responsible for the daily operation of your Franchise must have satisfactorily completed training (the “**Trained Employee**”). Therefore, if your General Manager leaves your employ for any reason, you personally or another Trained Employee must manage the Franchise until a replacement General Manager, if you decide to hire one, becomes a Trained Employee. In order to meet the training requirements for a newly hired General Manager you may either (i) wait until we offer the next training session pursuant to Section 7.1(D) below; or (ii) you may request an additional training pursuant to Section 7.2 below. The success of your franchise is dependent upon your efforts. You are responsible for ensuring that your General Manager has the proper training and effectively manages your Franchise. The ultimate responsibility for the success of your Franchise rests upon you.

(D) At our discretion, we may provide an annual refresher course or training program (“**Annual Program**”). We will designate the curriculum, dates, hours, and location of the Annual Program at least thirty (30) days before it is scheduled. You and your General Manager will attend any Annual Program we provide at your sole cost and expense. We currently do not charge tuition for your attendance; however, we reserve the right to charge a fee for you and your General Manager’s attendance at such Annual Program.

(E) We currently do not charge tuition for your attendance at any of the training described in this Section other than charges for additional training pursuant to Section 7.2. You will pay all expenses, costs, and any losses incurred by you, your General Manager, or any of your other employees in connection with attendance at any training described in this Section, including but not limited to, hotel and travel expenses. We will not compensate you or your General Manager for attending or completing any training.

(F) No employee may have access to the Confidential Information without first executing a Bella Bridesmaids Nondisclosure Agreement.

(G) The copy of the Bella Owners Manuals that we will lend to you contains a list of actions that you must complete prior to opening your Franchise. You may not open your Franchise unless you have successfully completed all action items on the pre-opening checklist.

7.2 Voluntary Additional Training.

Upon your request or occasionally during the Term, we will provide additional training in specialized topics (e.g., stylist training), franchise operation and management, or other matters for you, your General Manager, or any of your employees who have executed a Bella Bridesmaids Nondisclosure Agreement

(“**Voluntary Training**”). We will designate the training dates, hours, and location. You will pay us the Voluntary Training fees set forth in our then current fee schedule, no less than two weeks before the training begins. The current fee is \$150 per hour per trainer. This amount is subject to change but will not increase more than five percent (5%) per year. You will also reimburse us for all our travel, hotel, meals, and related expenses in connection with such Voluntary Training. You must reimburse our expenses within five (5) business days after our request. You are entitled to a full refund of the Voluntary Training fee if you cancel at least five (5) days in advance. You will still be responsible for any expenses if we have incurred them and cannot get a refund. We are not responsible for any expenses, costs, or losses incurred by you, your owners, employees, or Bound Parties in connection with attendance at any training described in this Section.

7.3 Remedial Additional Training.

At any time during the Term, we may require you, your General Manager, or any of your employees who have executed a Bella Bridesmaids Nondisclosure Agreement, to attend remedial training (“**Remedial Training**”). This Remedial Training will be required if your Franchise does not comply with our brand standards. We will designate the training dates, hours, and location. You will pay us the Remedial Training fees set forth in our then current fee schedule, no less than two weeks before the training begins. The current fee is \$150 per hour per trainer. This amount is subject to change but will not increase more than five percent (5%) per year. You will also reimburse us for all our travel, hotel, meals, and related expenses in connection with such Remedial Training. You must reimburse our expenses within five (5) business days after our request. We are not responsible for any expenses, costs, or losses incurred by you, your owners, employees, or Bound Parties in connection with attendance at any training described in this Section. If you do not successfully complete Remedial Training and operate your Franchise to our brand standards, you will be in material breach of this Franchise Agreement.

7.4 Telephone, Email, and Operational Assistance.

We will respond to reasonable requests from you for technical or operational advice regarding the Franchise by telephone, electronic mail, SMS text, or other writings. After your Franchise has been operating for a year (12) months, we may impose a reasonable hourly fee for any consultation and advice requested by you that exceeds four (4) hours in any month.

8. INITIAL FRANCHISE FEE, ROYALTY PAYMENTS, AND OTHER FEES.

8.1 Initial Franchise Fee.

(A) In order to open your first Bella Bridesmaids franchise, you will pay us an initial franchise fee of fifty thousand dollars (\$50,000) in immediately available funds (e.g., by wire transfer or cashier’s check) concurrently with your execution of this Franchise Agreement.

(B) If we approve your opening any subsequent Bella Bridesmaids franchise inside your Territory, the franchise fee will be ten thousand dollars (\$10,000.). If we approve your opening any subsequent Bella Bridesmaids franchise outside of your Territory, the franchise fee will be 75% of the then-current initial franchise fee. In both circumstances, you will be required to execute a then-current franchise agreement which may have materially different terms than this one, and both locations will have defined protected territories that do not overlap.

(C) Due to the expenses that we incur in furnishing assistance and services to you, and the lost opportunity to negotiate with others for this franchise, the initial franchise fee will be deemed fully earned by us when it is paid and will be **nonrefundable**, in whole or in part.

(D) You will pay to us an evergreen security deposit of ten thousand dollars (\$10,000.00) ("**Security Deposit**"), which will be paid upon execution of this Franchise Agreement. We may draw upon this amount to pay your obligations to us or any other creditor. If we draw upon the Security Deposit to pay any of your obligations, you will within forty-five (45) days, pay to us the amount necessary to replenish the Security Deposit. The Security Deposit will be refunded to you upon termination of this Franchise Agreement; provided that, in addition to, and without limitation to any rights we may have under applicable law, if this Franchise Agreement is terminated, any and all of the Security Deposit may be used to offset and applied toward any payments owed to us or to any creditor for any amounts that we have to settle for you, whether or not such payments, or any part thereof, will then be due. The Security Deposit will not bear interest, nor will it be held in a segregated account.

8.2 Royalty.

(A) Each month during the Term, you will pay us a monthly royalty fee equal to the greater of (i) four percent (4.0%) of your gross revenue (as defined in Section 8.3 (Gross Revenue Defined)); or (ii) six hundred dollars (\$600) (the "**Minimum Royalty**") (collectively, the "**Royalty**").

(B) The Royalty will be paid monthly as described below. The Royalty is due and payable in arrears on or before the tenth (10th) day of each month over the Term (the "**Payment Date**"). In order for the Minimum Royalty to be paid on the Payment Date, an automatic debit to your bank account will occur three (3) business days prior to the Payment Date for the Minimum Royalty. If you owe us a Royalty payment in an amount that is greater than the Minimum Royalty, such excess over the Minimum Royalty is required to be paid to us in immediately available funds (either by wire transfer or cashier's check delivered to us) on the Payment Date. Any Royalty payment not received by us when it is due (a "**Late Royalty Payment**") will (i) accrue interest at the Default Interest Rate, from the due date until payment is received by us, which interest will be due and payable with the Royalty payment and (ii) cause you to incur a one hundred dollar (\$100.00) fee for each occurrence of a late payment (a "**Late Payment Fee**") as described in Section 26.1 (Late Charge).

(C) If we determine, through an audit or upon other reliable evidence, that you have not fully paid any Royalties or other amounts due under this Franchise Agreement, you will be liable for (i) immediate payment to correct such underpayments, and for interest on the underpaid amount at the Default Interest Rate, accruing from the date that such payments were actually due to us, and (ii) a Late Payment Fee for each occurrence of a late payment. In such case, if you do not remit the payment required within ten (10) days after receipt of demand, we shall have the authority to initiate an electronic funds transfer from your bank account for the amount of the underpayment plus the interest due and the Late Payment Fee. In addition, if any inspection or audit indicates there was an intentional understatement of any magnitude or an understatement or underpayment of Royalties due for any year in excess of two percent (2.0%) of the Royalty originally reported, you will promptly reimburse us for the costs and expenses of conducting any the inspection or audit.

(D) You may not transship orders for one showroom to another or place orders through a showroom other than the one where the order was taken or manipulate the timing of orders or the making of bank deposits as a means of avoiding or lessening your required Royalty payments.

(E) We reserve the right to change from monthly royalty collection to weekly royalty collection with reasonable advance notice to you during the term of this Franchise Agreement.

8.3 Gross Revenue Defined.

“**Gross Revenue**” means all revenue collected from the sale and delivery of all goods or services sold, delivered, or performed in or from the Franchised Location, including (without limitation), the gross amount received for orders taken, originated, accepted, or received elsewhere but filled at the Franchised Location, all income from delivery fees, and amounts collected from orders taken, originated, accepted, or received at the Franchised Location but filled, delivered, or performed elsewhere, less refunds made to customers in the ordinary course of business (or employee discounts) and amounts actually paid for sales, excise, or other taxes added to the selling price of goods and collected from customers. Notwithstanding the foregoing, “Gross Revenue” does not include amounts you receive for ancillary services or products sold to customers at your “cost” without any markup. For example, if shipping a dress costs \$100 to you and you charge the customer \$100 for shipping, that \$100 is excluded from the calculation of Gross Revenue. However, if you charge a customer \$150 for shipping that costs you \$100, then the \$50 dollars of markup on the shipping is included in the calculation of your Gross Revenue. No royalties are due on tips for services.

8.4 Gross Revenue Reports.

You will accompany each Royalty payment with a report of your gross revenue for the reporting period, set forth on the form provided by us for that purpose and certified by you to be complete and accurate (“**GR Report**”). At this point the GR Report must be produced using QuickBooks integrated with QVINCI software. We reserve the

right to change the manner of production or software required at any time given reasonable notice. A late fee of one hundred dollars (\$100.00) will be assessed if your GR Report is not provided to us, in the required form, by the Payment Date.

8.5 Technology and Software Fees.

(A) In exchange for our providing you with technical support and software-related services, you will pay to us on each Payment Date a monthly technology fee of one hundred twenty five dollars (\$125.00). Please note that we reserve the right to increase this fee as we add or change technologies or make changes or improvements to existing systems. Any such changes will be reflected in our Operations Manual.

(B) We require designated computer software to operate your franchise, provided by approved suppliers. As with all Software we reserve the right to designate different approved software at any time. You must pay for any additional fees as governed by the supplier, and which are therefore subject to change at any time. Any changes to our provided supplier or fees will be reflected in our Operations Manual. Please note that you may be able to negotiate a lower price with the supplier depending on the terms of your subscription.

(C) One of our current suppliers is Squarespace scheduling software which currently requires a monthly fee of twenty-five dollars (\$25.00). Another requirement is QuickBooks accounting software which is currently offering a discounted monthly fee of \$48 for the first two years of your franchise; after your first two years, the fee reverts to the regular then-current monthly fee (currently \$60.00).

8.6 Methods of Payment.

(A) We may designate a required method of payment for all Royalties and any other payments due from you. The designated method of required payment may change from time to time, at our discretion.

(B) Currently, we withdraw funds from your designated bank account by automated clearing house transfer (“ACH”) in the amount of the Minimum Royalty, the monthly Advertising Fees (as defined in Section 12.5 (Systemwide Marketing Fund Contributions), and the technology fees (as provided in Section 8.5). To ensure that the required payments are made to us on the Payment Date, we make each ACH withdrawal of the Minimum Royalty, the Advertising Fees, and the technology fees, on the date that is three (3) business days prior to the date such amounts are due. If we do not receive the excess over any Minimum Royalty due on the Payment Date, we reserve the right to withdraw the excess over the Minimum Royalty from your designated bank account. The amount of Royalties due to us will be based on the reports that you submit to us pursuant to Section 8.4 (Gross Revenue Reports). If you fail to submit these reports when due, we may on the date the Royalty is due withdraw the late fee and a Royalty payment estimated by us based upon our good faith estimate of your gross revenue for the relevant period, subject to adjustment when you supply

the delinquent report together with any other amounts then due to us. For any other monetary obligation that you do not pay when due, we may withdraw the amount due, together with any late fee. We may also withdraw interest at the Default Interest Rate on any unpaid amounts on a monthly basis. Upon execution of this Franchise Agreement, you will execute a document in the form of **Exhibit F** granting us the authority to process ACHs from your designated bank account. You will not use any other bank accounts without our advance written permission, which may be conditioned, among other things, upon establishing ACH capability for us with respect to such accounts. From time to time at our request, you will execute any additional documents necessary to confirm or update this authority. You will be responsible for any ACH transfer fee or similar charge imposed by your bank and for any service charges incurred by us and/or imposed by your bank should any ACH not be honored by your bank for any reason.

(C) Notwithstanding anything to the contrary set forth in any other Section of this Franchise Agreement, any and all fee or payment dates set forth in this Agreement may be amended by us from time to time, in our sole discretion, upon reasonable notice to you.

9. OWNERS MANUALS, PRODUCTS AND SUPPLIES.

9.1 Bella Owners Manuals and Confidential Documents.

(A) To preserve for you and all franchisees of Bella Bridesmaids the uniform quality and appearance that is an integral part of the value of the Bella Marks and Bella System, and the rights granted to you by this Franchise Agreement and to assist you in the operation of the Franchise, we will loan you one copy of each of the Bella Owners Manuals, in either hard copy or electronic form, at our discretion, for a term commencing on the day you begin the training described in Section 7.1(A) (Minimum Training and Competency) and ending on the last day of the Term. We may modify, amend, delete, or add to the rules, regulations, standards, procedures, instructions, specifications, and other materials in the Bella Owners Manuals at any time and in any form, including newsletters and other written communications, as we deem necessary or appropriate, so long as no modification materially diminishes your rights pursuant to this Franchise Agreement. We will loan you, in either hard copy or electronic form, at our option, for the Term, one copy of all modifications, amendments, deletions and additions thereto, which will be binding upon you upon receipt.

(B) You will abide by, conform to, and strictly comply with all mandatory rules, regulations, standards, procedures, policies, instructions, and specifications set forth in the Bella Owners Manuals, as modified, amended, and supplemented by us from time to time, and will conduct the Franchise in strict compliance with those rules, regulations, standards, procedures, policies, instructions, and specifications.

(C) The Bella Owners Manuals are and will remain our sole and exclusive properties and will remain in your possession only during the Term. You will

not duplicate or make, or permit to be made, any copies, digital or otherwise, or photocopies of the Bella Owners Manuals or any part of them and will not at any time, directly or indirectly, disclose, disseminate, display, reveal, reproduce, publish, sell, show, or communicate to any person or entity any of the contents of the Bella Owners Manuals except to your employees who have executed a Bella Bridesmaids Confidential Nondisclosure Agreement, as permitted by this Franchise Agreement.

9.2 Products, Samples and Vendor Agreements.

(A) You may offer and sell only approved bridesmaid dresses, wedding apparel, accessories, and other products approved by us (“**Approved Products**”). Approved Products may only be purchased from Approved Vendors that are expressly approved by us, which may vary by market areas and according to other circumstances, which can be changed by us from time to time and will be listed on the Approved Vendor List. We may modify what constitutes Approved Products, provided that such modification does not fundamentally change the nature of the Franchise. In addition to the foregoing, you:

(i) Understand and acknowledge that it is critical to your Franchise’s success to have a variety of contemporary samples of Approved Products (“**Samples**”) on hand at your showroom and that failure to update your Samples at least annually or semi-annually (if required by designers) by purchasing Samples every April and October of every year during the Term will have a detrimental effect on the viability of your Franchise and give us a right to terminate this Franchise Agreement in accordance with Section 22 (Our Termination Rights);

(ii) Will invest in, or dry clean (as applicable), Samples to ensure that, at all times, a stock of Samples is on hand at the Franchised Location that is sufficient to meet the minimum sampling requirements and standards (e.g., samples that are not ripped or otherwise evidence excessive wear) as set forth in the Bella Owners Manuals; and

(iii) Will invest in Samples by purchasing such Samples at least annually or semi-annually (if required by designers) on every April and October of every year during the Term.

You will not produce, dispense, or sell at the Franchised Location any other items, products, goods, wares, or merchandise without our prior written consent, which may be withheld in our sole discretion.

(B) If you wish to independently source any items from someone other than one of our approved suppliers or designated suppliers, you must get our prior consent. However, we reserve the right to have some items, such as the bridesmaid dresses you will carry, sourced exclusively from our Approved Vendors, in order to achieve uniformity and better pricing, to simplify inventory and purchasing, or for other legitimate business reasons. Therefore, we do not promise to evaluate or approve alternate suppliers on your request and may decline to do so. If we elect to evaluate a

supplier at your request, you must provide us with adequate information and product samples to evaluate any such supplier. We will consider the following factors in our evaluation: (1) the quality of the products; (2) the supplier's trade history and reputation for customer service and reliability; (3) the price point and competitiveness of pricing offered; (4) whether the supplier's products add anything to the range of products offered or are redundant of existing approved products; and (5) whether the supplier presents any conflict of interest for us, for example, as to its channels of distribution or with our existing approved suppliers.

We reserve the right to impose a reasonable fee for approval of suppliers or require reimbursement of actual or estimated costs to evaluate proposed suppliers. This fee will not exceed \$1,500. If we agree to evaluate a proposed supplier, we will notify you of the approval or disapproval of the supplier within 30 days after we receive notice and all information and samples necessary to process your request. We may revoke approval of suppliers for reasonable cause upon written notice to you.

(C) We may, from time to time and in our sole discretion, develop national agreements, partnerships and/or trade deals with certain vendors or suppliers. Such agreements are for the benefit of all franchisees, and may be dependent on all franchisees' participation. Such agreements may include, but are not limited to, merchandise suppliers and credit card processors. In all such events, you will order directly from the preferred vendor/supplier. We will, however, provide contact information, as well as current contract pricing. You will look solely to the supplier for performance. In no event will we or of our Affiliates be responsible or liable for the performance, decisions, acts or omissions of any supplier. We will have no liability to you for the discontinuation of any supplier's business, any product line or any changes in purchasing arrangements with any supplier. You understand and agree that we may communicate freely with any supplier concerning purchases made by you and other matters relevant to your Franchise. We reserve the right to receive rebates, markups, or other payments from suppliers to the Bella System.

10. NON-COMPETITION.

10.1 In-Term Non-Competition.

During the Term, you and the Bound Parties will not, except with respect to the Franchise:

(A) have any direct or indirect interest as a disclosed or beneficial owner in any Competitive Business (as defined below); provided, however, that you will not be prohibited from owning equity securities of any business whose shares are traded on a stock exchange or on the over-the-counter market so long as the ownership interest will represent two percent (2.0%) or less of the total number of outstanding shares of such business;

(B) perform services as a director, officer, manager, employee, consultant, financing source, representative, agent, or otherwise for a Competitive Business anywhere;

(C) Your Bound Parties may not own or be engaged in any Competitive Business.

(D) divert or attempt to divert any business related to the Franchise or the Bella System directly or indirectly to a Competitive Business;

(E) divert or attempt to divert the employment of any of our employees or those of our Affiliates or of another of our franchisees to any Competitive Business; or

(F) directly or indirectly solicit or employ any of our employees or those of our Affiliates or of another of our franchisees without first obtaining the employer's prior written consent.

10.2 Post-Term Non-Competition.

Upon termination, assignment, expiration, or transfer of this Franchise Agreement for any reason (other than an approved transfer to an Affiliate of yours) you and the Bound Parties will not, for a period of two (2) years after such termination, assignment, or transfer, engage, directly or indirectly, as an owner, operator, or in any managerial capacity, in any Competitive Business, at or within a fifty (50) mile radius of the former Franchised Location or any other Bella Bridesmaids showroom other than as an authorized franchise owner of another Bella Bridesmaids showroom. You agree that the purpose of this covenant is not to deprive you of your livelihood and that it will not do so, but is rather to protect the goodwill and interest of the Bella System. You agree that if you are engaged as an owner, operator, consultant, or in any managerial capacity in any Competitive Business, you assume the burden of proving that you have not used our Confidential Information, trade secrets, methods of operation, or any proprietary components of the Bella System. This protection will be in addition to and not in lieu of all other protections for such trade secrets and confidential information available in law or in equity.

10.3 Enforcement.

Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. Should any part of one or more of these restrictions be unenforceable, you agree that it will be deemed reformed to be enforced to the broadest extent permissible under the law. The running of any period specified in this Section will be tolled and suspended for any period of time in which a Bound Party is in violation of any restrictive covenant. You further expressly agree that the existence of any claim you may have against us, whether or not arising from this Franchise Agreement, will not constitute a defense to our enforcement of the covenants in this Section. Your obligations under this Section will survive the termination or

expiration of this Franchise Agreement. Any violation of this Section will be deemed an incurable material breach of this Franchise Agreement.

10.4 Improvements Developed by You.

You will disclose and describe in detail to us prior to executing this Franchise Agreement all copyrighted or other pre-existing materials to which you claim ownership or any other rights. You will fully and promptly disclose to us all ideas, concepts, methods, and techniques relating to the development and/or operation of the Franchise, any other of BBFG's businesses, or any Competitive Business (as defined below), conceived or developed by you and/or your Affiliates or employees during any term. All such materials created or conceived by you or in collaboration with others during any term will be our sole and exclusive property without further consideration to you and you hereby assign all right, title, and interest in such works to us. You agree to execute any documentation necessary to perfect our ownership rights, including, without limitation, copyright, trademark, and patent applications, assignments, and/or recordings as we may request.

10.5 Third Party Non-Disclosure.

You will execute non-disclosure and non-competition agreements Information that contain the restrictions of this Section (in the form of **Exhibit G**) with the Bound Parties and anyone with access to our Confidential Information. We will be a third party beneficiary of such agreements and you will not amend, modify, or terminate any such agreement without our prior written consent. You will provide us with the contact information for each of the Bound Parties and will update such information as necessary.

10.6 Competitive Business.

We are eager to see you succeed as a Bella Bridesmaids franchisee. So long as you are in good standing, we will not unreasonably withhold our consent for a venture that is complimentary to or designed to scale your franchise so long as it is not competing with us to our detriment. "**Competitive Business**" means any business that competes with Bella Bridesmaid such as those offering the goods and services that we offer, including without limitation, bridesmaid dress showrooms or boutiques, or any other establishment offering to sell bridesmaid dresses, wedding apparel, or special occasion apparel (e.g., cocktail dresses, formal dresses, jewelry or accessories) at retail or wholesale, whether online or in a physical location, and any related business (such as an application or software-as-a-service business) in the wedding or special occasion industry.

10.7 Goodwill.

Out of respect to other franchisees and Franchised Locations in the Bella System, and to foster goodwill across the Bella System, once a customer begins a search for dresses and/or other products at a certain Franchised Location, it is our policy to encourage such customer to remain working with such Franchised Location

and not switch to another Franchised Location. You agree to abide by our policy and encourage customers to remain working with the Franchised Location they initially engage for their dresses and/or other products.

10.8 Delegation of Performance.

We have the right to delegate the performance of any portion or all of our obligations under this Franchise Agreement to third parties, whether those third parties are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third parties will be obligated to perform all functions for you in compliance with this Franchise Agreement.

10.9 Bound Parties

You will cause each of your Bound Parties that directly or indirectly controls, or is controlled by, or is under common control with you or has access to our Confidential Information to comply with and fully observe the provisions of this Section 10 and, at our request, will require such Bound Parties to execute a form of non-disclosure and non-competition agreement as may be approved by us.

11. GOVERNING DOCUMENTS, RECORDKEEPING, REPORTS, INSPECTIONS, AND AUDITS.

11.1 Governing Documents, Authority, and Changes.

(A) Your designated contact person for the Franchise will be deemed to have full authority in matters concerning the Franchised Location. We will be entitled to rely on the acts, representations, and decisions of that person in relation to the Franchised Location.

(B) We must receive copies of any of your Articles of Incorporation, formation documents, Operating Agreement, Partnership Agreement, Shareholders' Agreements, By-laws, and other organizational documents and changes thereto.

(C) You will provide to us, and update upon any change, a complete list of the current officers, shareholders, partners, members or other owners and their respective titles within the organization and the amount of their respective ownership interests in you, if applicable.

(D) All shares of capital stock in any corporation or certificated membership interests in a limited liability company must bear the following legend: "The sale or other transfer of the shares of stock (or membership interests) represented by this certificate is restricted by and subject to the terms and conditions of a written franchise agreement with Bella Bridesmaids Franchise Group, LLC."

(E) If you are a natural person or a partnership, you may transfer this Franchise Agreement and your interest in the Franchised Location to a corporation or limited liability company that is and will be owned solely by the same natural persons as

were the owners or partners of the Franchised Location before and only upon written notice to us, subject to compliance by the corporation or company and by you with all provisions of this Section 11.1 (including the undertaking and guaranty) and upon the corporation or limited liability company executing a written assumption of all of your obligations under this Franchise Agreement and the provision to us of a copy of a resolution of the corporation's board of directors or company's members authorizing such assumption.

(F) If there are any material changes to the circumstances of an owner of any interests (e.g., dissolution of corporate existence, a new owner, marriage, or domestic partnership) such that property rights impact the Franchise, that new person or entity must execute a Guarantee, the form of which is attached as **Exhibit D**, or a Property Interest (Spousal) Consent and Waiver, the form of which is attached as **Exhibit C**, waiving such rights.

11.2 Registers, Checks, Records.

(A) You will enter all sales, payments, expenses, and credits made at or from the Franchised Location on the Computer System, so as to create a complete and accurate record in the Computer System of each individual sale and a cumulative total of all gross revenue and all components of gross revenue. You are also required to record all other transactions in a manner that ensures you are able to meet all your reporting obligations under this Franchise Agreement. All bookkeeping and accounting records, financial statements, and reports maintained or prepared by you will be entered and maintained on the Computer System and will conform to the standards, forms, and requirements set forth in the Bella Owners Manuals and which are subject to periodic review and revision at our discretion. We may modify how you record supplier and sales transactions.

(B) You will keep at the Franchised Location and on the Computer System at all times during the Term and in your possession for three (3) years after the termination or expiration of that term, complete books of account, records, ledgers, receipts, check records, and all other documentation of the receipts and expenses of the Franchised Location in the form designated in the Bella Owners Manuals, which is subject to periodic review and revision at our discretion, including (without limitation), the Computer System, records of cash receipts, sales tax returns and statements, payroll records, cancelled checks, invoices, bank statements for all accounts into which receipts from the Franchised Location are deposited or out of which expenses of the Franchised Location are paid, and all other records or reports used by you to record, compile, account for, or report cash flow, expenses, gross or net income, or gross or net revenue or sales (collectively, "**Your Records**") for the preceding three (3) years.

11.3 Your Periodic Reports.

On the Payment Date pursuant to Section 8.4 (Gross Revenue Reports), in addition to the GR Report, produced with QVINCI software, you are required to deliver to us:

(A) Monthly Report with Profit and Loss Statements: A monthly report and a profit and loss statement for the Franchise for the preceding calendar month, both of which will be in the form specified by us in the Bella Owners Manuals on or before the Payment Date; and

(B) Yearly Report: A profit and loss statement and balance sheet for the Franchise for the preceding calendar year in the form provided by us as part of the Bella Owners Manuals within thirty (30) days after the end of each calendar year (by February 1st).

All reports, profit and loss statements, and balance sheets will be prepared in accordance with generally accepted accounting principles (GAAP) consistently applied from applicable period to applicable period and certified by you or your chief executive or financial officer to be true, correct, and complete. A late fee of one hundred dollars (\$100.00) will be assessed if either the monthly report with the profit and loss statement or the profit and loss statement and balance sheet for the preceding calendar year is not received by us as set forth above.

11.4 Tax Returns, Other Reports.

You will deliver to us (i) a copy of all annual federal, state, and local income tax returns; and (ii) monthly sales tax returns, each on or before the fifteenth (15th) day after the date such tax returns are due. A late fee of one hundred dollars (\$100.00) will be assessed if the tax returns or reports described in this Section are not received by us as set forth above. Additionally, we reserve the right to request any and all other information and reports relating to the Franchised Location that we may reasonably require, in our sole and absolute discretion, from time to time.

11.5 Our Database Access, Inspections, Credit and Background Checks, Audits, Penalties.

(A) You must use the Computer System approved by us for all transactions. You will provide us with electronic access at all times to your Computer System and all other electronic systems for the purpose of allowing us access to your financial statements, reports and all other data related to the Franchised Location directly, whether or not such systems are maintained by you or a third party. Failure to provide us with any access to your Computer System or any other electronic systems will result in a One Hundred (\$100) dollar fee payable by you to us for each month you fail to provide us with such access.

(B) You will instruct your Computer System vendor, or some other capable party, to program your Computer System to generate reports sufficient to facilitate your preparation of the GR Report. The cost of the Computer System to have the capacity to send the required sales reports to us is your responsibility.

(C) You agree that in our sole discretion we may conduct comprehensive background checks and seek credit reports on any Bound Parties at any time during the Term.

(D) Our representatives may inspect, copy, and audit Your Records and inspect and audit your cash register totals and inventories at any time during the Term and for three (3) years after the termination or expiration of its term, but not more than once each calendar year unless a prior audit has shown a material discrepancy between actual and reported gross revenues or except as provided in Section 11.6 (Failure to Keep Records or Make Reports). We have the right, among other things, to: (i) conduct or observe a physical inventory of the Franchised Location; (ii) interview personnel of the Franchise; (iii) interview customers of the Franchise; (iv) photograph and videotape the premises of the Franchised Location; (v) inspect and copy any books, records, and documents relating to the operation of the Franchise; (vi) conduct credit checks and other background checks on relevant parties; and (vii) inspect and record sales activity. Such audits may be conducted by auditors at your Franchised Location, who may monitor your gross revenue by observing and noting all sales transactions taking place at or from the Franchised Location. You will deliver Your Records to us at a location designated by us on demand and will cooperate with us and our representatives in the conduct of any inspection and audit. You will pay us on demand any deficiency in the amount of percentage Royalties paid to us revealed by any audit conducted by us, together with interest at the Default Interest Rate, from the date the Royalties were due until payment is received by us. Should any audit conducted by us indicate that your gross revenue was understated by two percent (2.0%) or more in any GR Report (or any other statement of gross revenue) delivered to us, You will pay us on demand for all expenses we incurred in connection with the audit and collection of the past due Royalties, including (without limitation) reasonable accountants' fees, plus interest at the Default Interest Rate, from the date the expenses were paid by us until reimbursement is received.

11.6 Failure to Keep Records or Make Reports.

If you fail to maintain records (including, without limitation, the information required to be in the Computer System) or furnish any report or statement as required and in the time specified in Section 8.4 (Gross Revenue Reports) or this Section, after giving you five (5) days' notice of our intention to do so, we may appoint a certified public accountant to inspect and audit Your Records and/or the Franchise and prepare a statement of your gross revenues (the "Auditor's Statement"). The auditor's determination of your gross revenues as reflected in the Auditor's Statement will be conclusive and binding on you. You will pay us, on demand, all Royalties that audit shows to be due to us and all charges we incurred in connection with the audit, preparation of the statement, and collection of past due royalties, including (without limitation) reasonable accountant's fees, travel expenses, plus interest at the Default Interest Rate, from the date the Royalties were due or the charges were paid by us, respectively, until payment is received.

11.7 Publication of Sales, Earnings, and Profits.

(A) We may use your Franchise's gross and net revenue, expenses, income, earnings, and profits in any gross or net revenue or sales, earnings, or profits projections, forecasts, or reports in any franchise disclosure document ("FDD") or

financial performance representations prepared by us and for other franchise-related purposes, and may identify the Franchised Location as the franchise operation on which those projections, forecasts, and reports are based.

(B) We will have the right, but not the obligation, to furnish any prospective transferee or assignee of the Franchise or an interest therein or in you with copies of all financial statements furnished by you to us in accordance with this Franchise Agreement during the three (3) year period prior to the date the approval of the proposed assignment, transfer, or sale is sought. We will also have the right, but not the obligation to advise any prospective assignee of any uncured breaches or defaults by you under this Franchise Agreement, or under any other agreement relating to the Franchise or any other material information relative to the Franchise. We will have no liability to you or any of your owners for making any such disclosures to a proposed transferee or assignee. Our approval of such proposed transaction shall not, however, be deemed a representation or guarantee by us that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the assignee will be capable of successfully conducting the Franchise and no inference to such effect shall be made from such approval.

12. ADVERTISING AND PROMOTION, TELEPHONES, WEBSITES.

12.1 Definition.

For purposes of this Franchise Agreement, the term “**Advertising Material**” will mean all printed, audio, visual, electronic, or other materials prepared for the purpose of increasing, encouraging, or promoting patronage of the Franchised Location or of Bella Bridesmaids showrooms in general, and will include (without limitation) signs, radio spots, television advertisements, newspaper, magazine, or other printed media or ecommerce advertisements, websites, social media, slogans, jingles, contests, posters, flyers, leaflets, brochures, handbills, direct mail and presentations.

12.2 Advertising Approval and Website.

You will not use, display, disseminate, or publish, or cause to be used, displayed, disseminated, or published, any Advertising Material that has not been pre-approved in writing by us. Should you fail to remove on demand any unapproved Advertising Material displayed by you or others, we may enter the Franchised Location or online presence (as further explained in Section 12.8) and remove and destroy that material without being guilty of trespass, conversion, or any other tort or take any other action necessary to cause such Advertising Material to no longer be displayed, disseminated, or published. You may not create or maintain a free-standing website but, in the event that we provide you with a website linked to our internet site or web page, you must create and maintain such website for your Franchise according to the policies, terms and conditions that we may impose as they change from time to time. The content of your Franchise portion of the website will be subject to our approval, which may be granted or withheld in our sole discretion, and must display an approved link to our main internet site (www.bellabridesmaids.com) or web page (“**Approved Website**”). Any

changes to the Approved Website or link must be authorized by us in our sole discretion. Should you create or maintain a website without obtaining our consent or should a change or changes be made to an Approved Website, but you fail to notify us and/or get our authorization for the change(s), we may remove, disassemble, disable, or destroy all or any part of that internet site or web page without being guilty of trespass, conversion, or any other tort or crime. You will pay us, on demand, all charges incurred by us in taking that corrective action, plus interest at the Default Interest Rate, from the date the charges were incurred by us until reimbursement is received. You will at all times adhere to all retail prices advertised by you and will not advertise in any illegal, deceptive, or misleading manner.

All advertising must contain the name “Bella Bridesmaids” as well as the local phone number and/or address of your local showroom. This must be in the same font specified by us from time to time and size type as the event name you are promoting.

12.3 Required Use, Participation, and Approved Website Link.

You will display at the Franchised Location, for the period specified by us, all Advertising Materials specified from time to time in the Bella Owners Manuals or furnished to you by us and will join and participate in all advertising campaigns and programs, contests, drawings, and similar promotional events or activities specified by us, so long as no statute, law, ordinance, rule, or regulation prohibits your required participation.

12.4 Your Local Advertising.

Subject to any requirements with respect to format, representations, and media set forth in the Bella Owners Manuals, you will spend annually, for local advertising and promotion, an amount equal to at least one percent (1.0%) of your yearly gross revenues. Within ninety (90) days after the close of your fiscal year, you will deliver to us a statement containing the computation of the amount you were required to spend for local advertising pursuant to this Section and an itemized accounting of the amount actually spent. If you have spent less than the required amount, you may be required to immediately contribute to us, for use in the Systemwide Marketing Fund described in Section 12.5 (Systemwide Marketing Fund Contributions), an amount equal to the difference between the amount required to be spent and the amount actually spent. You will not be entitled to apply excess local advertising expenditures in any year to reduce the amount required to be spent in any subsequent year.

12.5 Systemwide Marketing Fund Contributions.

(A) Recognizing the value of advertising to the goodwill and public image of Bella Bridesmaids, we implement a “**Systemwide Marketing Fund**” to pay for advertising and marketing programs. You shall pay us fees for the Systemwide Marketing Fund equal to the amounts detailed below to fund creation and placement of advertising to promote the Franchise and Bella Bridesmaids showrooms in general (“**Advertising Fees**”). You shall be responsible for the following contribution per year:

Previous Year's Sales	Advertising Fees
\$0 to \$300,000	\$1,000
\$300,000 to \$400,000	\$1,500
\$400,000 to \$600,000	\$2,000
Greater than \$600,000	One half of one percent (0.5%) of monthly gross revenue reported

Previous Year's Sales are based upon location. Currently, the Advertising Fees will be payable monthly on or before the Payment Date. If this Franchise Agreement is executed after the first of the month, the first payment of Advertising Fees shall be paid after the first full operating month following execution of this Franchise Agreement. For example, if the Franchise Agreement is executed on January 15th, the first Advertising Fees payment is due on or before March 10th. We reserve the right to change the frequency of when Advertising Fees are due, and the due dates for Advertising Fees may change from year to year at our discretion. If a location has been transferred, the new Franchisee will be obligated to pay the Advertising Fees based upon the previous year's sales. We will not be a trustee of Systemwide Marketing Fees and may commingle them with any other funds belonging to us but will segregate them in our books of account as an advertising fund consisting of like payments made by our franchisees. The Systemwide Marketing Fund will not be audited. Upon reasonable request not more than once per year, we will provide an accounting of the Systemwide Marketing Fund.

(B) We will allocate the Systemwide Marketing Fund as we deem appropriate to create and develop regional and national advertising and public relations and promotional campaigns using print, radio, television, ecommerce or other media to promote and enhance the value of the Bella Marks and Bella Bridesmaids showrooms in general. We may retain a portion of the Systemwide Marketing Fund to reimburse us for our actual administrative expenses with respect to the Systemwide Marketing Fund and the cost of our production of advertising and other promotional materials or devices. We will have the right, but no obligation, to rebate to you at any time a portion of the sums on deposit in the Systemwide Marketing Fund and to require you to spend the rebated amount on local advertising. We will not primarily use amounts from the Systemwide Marketing Fund to solicit new franchisees.

12.6 Copyrights.

(A) All Advertising Materials and other original materials disseminated by us will be our sole and exclusive property, and we are the sole owner of the copyright to them. You will not have any license, power, or right to claim or register a copyright in or make any derivative works from any of those materials. You will use and display those materials only as designated by us.

(B) You will not at any time contest, directly or indirectly, our sole and exclusive copyrights in any Advertising Materials disseminated by us or any other

copyrighted materials disseminated or licensed to you pursuant to this Franchise Agreement.

12.7 Telephones, Text Messaging, and E-Mail Access.

(A) As required by the Operations Manual, you will employ the necessary technology to be accessible. Currently, you will subscribe for and maintain at the Franchised Location, throughout the Term, one or more telephone numbers devoted solely to the Franchise, which will be listed and identified exclusively with the Franchise in all official and unofficial telephone directories distributed in any geographical area that includes the Territory and in all local advertising prepared by you. All telephone listings will identify the Franchise as a Bella Bridesmaids franchise.

(B) You will (i) subscribe for and maintain at the Franchised Location, throughout the Term, one or more telephone lines dedicated to a private back office line for your business; and (ii) obtain and maintain one or more scanners, each that are acceptable to us and used solely in the Franchise.

(C) You will subscribe for and maintain at the Franchised Location, throughout the Term, a broadband internet connection and a computer that can receive and send e-mails including (without limitation) for receipt of customer orders by email transmission.

12.8 Online Presence, Social Networking.

(A) You must receive our approval prior to establishing any online presence or engaging in any social networking activity. You are prohibited from creating or using a local Facebook page, Instagram account, or other social media account existing now or in the future unless we consent to such creation or use.

(B) Any online presence and/or social networking activities in which you engage (in any form and in any media now existing or later developed) shall comply in all respects with the requirements of this Section. In addition, you will provide us at all times with current administrator-level access credentials, usernames, passwords, tokens and all other information and items required for complete access to, and control over, any online presence or social networking activities (collectively, the “**Access Credentials**”). In the event that you fail to comply with the requirements of this Section with respect to your online presence and/or social networking activities, we and our representatives may use the Access Credentials, access the foregoing resources and correct them to comply with the requirements of this Section, without being guilty of trespass, conversion, infringement or any similar tort. You will pay us, on demand, all charges incurred by us in taking such corrective action, plus interest at the Default Interest Rate, from the date the charges were paid by us until reimbursement is received. Failure to provide us with your Access Credentials will result in a One Hundred (\$100) dollar fee payable by you to us for each month you fail to provide us with such access.

13. OPERATION OF THE FRANCHISE.

13.1 Personnel.

You are solely responsible for all personnel and employment decisions relating to the Franchise including training and supervision as is necessary to ensure that each new employee can perform the work assigned to them in a competent fashion. You must also have sufficient staff for your Franchise, including any minimum staffing requirements set forth in the Bella Owners Manuals.

13.2 Dress Code, Hygiene.

You will require each of your employees to wear, during the time the employee is working at the Franchised Location, a style of dress consistent with a dress code of clean, neat, chic, and acceptable to us and as may be described in the Bella Owners Manuals. You will require that all employees present in the Franchised Location practice good personal hygiene and wear clean clothes consistent with the dress code designated by us.

13.3 Nondiscrimination.

You will not discriminate based upon age, sex, national origin, race, ethnicity, religion, sexual orientation, or any other legally-protected status or classification in the operation of your Franchise.

13.4 Your Efforts and Hours.

Your showroom must be open and staffed according to the standards in the Bella Owners Manual. We require your showroom to be open and staffed a minimum of five days a week for no less than forty hours a week and require a minimum of 15 of those hours to be peak shopping hours. You may operate within any of the days and times listed below.

Monday – Friday 11 am – 7 pm

Saturday 10 am – 5 pm

Sunday 11 am – 4 pm

Peak Shopping Hours

Weekdays - 5 pm - 8 pm

Saturday and/or Sunday hours

The Franchise cannot be closed for multiple consecutive days (e.g. several days in a row for vacation) and during the calendar year, the showroom may be closed for no more than ten (10) non-consecutive days per year in addition to the nationally observed holidays. Please note that between December and April, there is significant demand and you must staff your showroom according to Bella Bridesmaids brand standards. We require that your specified hours of operation be displayed on your website at all times. You are obligated to monitor incoming calls to the showroom and to respond to

customer requests and orders in a timely fashion regardless of whether the showroom is open for business on a given day. The staffing of your showroom is at your sole discretion; however, at all times you are required to uphold the Bella Bridesmaids brand and customer service standards including prompt and courteous service.

13.5 Sales Volume.

Your Franchise must generate Gross Revenue equal to at least fifty thousand dollars (\$50,000) per calendar six (6) month period, provided, however, that during your first six (6) months of operation you must generate a sales volume that we deem adequate (which may be less than fifty thousand dollars (\$50,000)). Failure to generate the required Gross Revenue constitutes cause for us to terminate this Franchise Agreement in accordance with Section 22 (Our Termination Rights).

13.6 Bridal Markets and Systemwide Meetings.

We attend both April and October bridal markets each year to meet with designers, attend group meetings, and approve samples. You are required to attend at least one of these markets each year. In addition every other year you must attend the mandatory system-wide meeting to provide information, assistance, and support to franchisees. The bridal markets and system-wide meetings may not be in your territory and you are responsible for all costs associated with your attendance at these meetings. We reserve the right to charge a reasonable fee for the system-wide meeting.

13.7 Customer Service; Mystery Shopper Program.

We will use various techniques to obtain customer feedback concerning your Franchise. If we adopt a mystery shopper program, you must subscribe to and participate in the mystery shopper service we designate. This may involve you distributing customer response cards in the form we prescribe for return by your customers to us. We may charge you for the costs that we incur for this program or providing you with customer comment cards and feedback. The costs for this program may be up to one hundred fifty dollars (\$150) per month. We may also suggest ways in which you can improve your performance. If you do not take immediate effective steps to bring your operations up to our standards, your failure to do so will be a material breach of this Franchise Agreement. You shall be responsible for any costs that we incur in having to provide such customer service for you as may be required to ensure positive customer relations. You shall be responsible for any costs we incur in having to provide such customer service for you.

13.8 Professional Conduct; Best Efforts; Protection of Exclusive Rights.

(A) In all your dealings with us, your customers, your employees, your suppliers, and others, you must adhere to the highest possible standards of professional conduct, honesty, integrity, ethical behavior, dependability, good faith, and fair dealing. You may not engage in any conduct that, in our reasonable opinion, may injure the

goodwill associated with the Bella Marks. You must do everything you can to promote and maintain the excellent reputation of Bella Bridesmaids showrooms.

(B) During the Term, you will use best efforts to fully develop the market within the Territory for the Approved Products, and to promote the Franchise and maximize Gross Revenue.

(C) You are required to use your best efforts to retain any exclusive rights granted to you or us from Approved Vendors in your Territory. You must promptly inform us if (i) you are having difficulty selling any product from an Approved Vendor for which an exclusive right has been granted or (ii) you have any indication that your action/inaction could cause the revocation of an exclusive right granted by an Approved Vendor.

13.9 Compliance with Laws.

You will operate the Franchised Location in compliance with all requirements contained in all applicable laws, rules, regulations, and ordinances, including without limitation obtaining all required licenses, as well in compliance with all applicable industry standards and best practices.

13.10 Communication with Us.

You will return all of our telephone calls and respond to all other communications from us to which a response is requested within a reasonable length of time. You will inform us of any material problems you encounter with the use of any part of the Bella System, the Approved Vendor List, and/or the samples/products from the Approved Vendors.

13.11 Data Privacy.

It is your responsibility to ensure the privacy of your customers' and your employees' sensitive data. You shall abide by all applicable laws and standards pertaining to the privacy of the consumer, employee transactional, and other electronic information (including the payment card industry data security standards and relevant provisions of the Health Insurance Portability and Accountability act). You shall not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

13.12 Emerging Technology, Other Advances.

During the Term of this Agreement, technology and other advances will continue to be discovered, developed, and evolve. You acknowledge that we may adopt and/or restrict new technology or other advances in the operation of your Franchise. We will make such decisions after careful consideration of the best interests of the Bella System, Franchisees, and company owned locations.

14. INSURANCE.

14.1 Coverage.

(A) In addition to any insurance required of you by the lease of the Franchised location, and without limiting your obligations under Section 15 (Indemnity), you shall procure and maintain in effect throughout the Term general liability and other insurance coverage meeting our standards and issued by companies admitted and licensed to do business in the state where the Premises are located and having an A.M. Best rating of not less than A. The current requirements include: (i) comprehensive general liability and casualty insurance including premises/operations liability and products/completed operations insurance with a minimum policy limit of \$1,000,000 per occurrence, \$2,000,000 in the aggregate; (ii) hired and non-hired and automobile insurance with a minimum policy limit of \$1,000,000 per occurrence, no aggregate; (iii) special form (all risk) insurance for the full replacement cost; (iv) employment practices insurance with a minimum policy limit of \$1,000,000 per claim and in the aggregate; (v) employer's liability insurance with a minimum policy limit of \$1,000,000 for injury by accident for each accident and for injury by disease for each employee; (vi) employer's liability and workers' compensation insurance with the required minimum statutory limits; and (vii) business income/interruption with no dollar limit for actual losses over twelve (12) months.

(B) All liability insurance policies shall each include an endorsement naming us as an additional insured on a primary basis and providing for severability of interests so that your acts or omissions shall not be imputed to us. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance that may we may maintain.

(C) You must supply us with certificates of insurance currently in force and provide copies of the schedule of forms and endorsements comprising the policy and copies of the endorsements naming us as an additional insured where required. All certificates of insurance shall provide that the insurance may not be canceled or reduced in limits or scope of coverage except after at least thirty (30) days written notice by the insurer to you and us. If you do not provide the required certificates, either initially or upon renewal, we may, but shall not be obligated to obtain such insurance and you shall reimburse us for the cost thereof upon demand. All required insurance policies must be renewed annually and new certificates of insurance and copies of endorsements as required above provided to us not less than thirty (30) days before expiration of each policy.

(D) You understand and acknowledge that we may, on notice and in our reasonable discretion, raise, lower, or otherwise change the amounts and types of insurance required under this Section 14.1 and you shall comply with such changed requirements no later than ninety (90) days after notice.

14.2 Waiver of Subrogation.

You will cause each insurance policy obtained by you to provide that the insurance company waives all right of recovery by way of subrogation against us in connection with any damage covered by any policy.

15. **INDEMNITY.**

You hereby agree to indemnify, defend, and hold us and our members, managers, owners, officers, directors, agents, and employees harmless from and against any and all losses, claims, costs, demands, liabilities, obligations, damages, actions, and expenses of any kind or nature whatsoever (including without limitation reasonable attorneys' fees) arising out of or related in any manner whatsoever to the Franchise or your use of the Franchised Location or any improvements, fixtures, or equipment located in or on it.

16. **TAXES AND ASSESSMENTS, PERMITS, AND LICENSES.**

16.1 Your Duty.

You will pay on or before the due date all payroll, personal property, franchise, sales, and other taxes or assessments imposed by any governmental entity or agency on or on account of the conduct of the Franchise or on its receipts, other than income taxes on our income. If any of those taxes are levied against or paid by us, you will reimburse us for those taxes on demand. You will obtain and timely renew all permits and licenses required by any governmental entity or agency for operation of the Franchise.

16.2 Remedies.

If you fail to pay any taxes or obtain any permits or licenses as required by this Franchise Agreement within ten (10) days after the earlier of notification of noncompliance or our demand for compliance, we will have the right, but no obligation, to pay those taxes (including any penalties and/or interest charges) or obtain those permits or licenses for you and on your behalf in addition to the other remedies provided for in this Franchise Agreement. You hereby irrevocably designate, constitute, and appoint us as your attorney-in-fact for that purpose. You will pay us, upon demand, all sums spent by us for those taxes, permits, and licenses, plus interest at the Default Interest Rate, from the date the monies were spent by us until repayment is received.

17. **LIMITATIONS ON TRANSFER OF FRANCHISE.**

17.1 Definition of Transfer

To “**Transfer**” your Franchise means to directly or indirectly sell, divide, encumber, assign, mortgage, sublicense, transfer, or otherwise dispose of any part of your interest or the rights or privileges granted by or incidental to any part of this

Agreement, or cause, suffer, or permit any of the foregoing with respect to the entity that is the franchisee pursuant to this Franchise Agreement, the Franchise, or the Franchised Location, voluntarily or by operation of law. This does not include adding additional locations within or outside of your current Territory, which must be approved by us and is subject to other provisions of this Agreement, including Section 8.1 (Initial Franchise Fee).

17.2 Consent Required.

To ensure your personal responsibility for the operation of the Franchise and to protect the Bella Marks, Bella System, goodwill and reputation, and the Confidential Information for our benefit, your benefit and that of all of our franchisees, you may not Transfer any or part of your Franchise without our prior written consent. Our consent will not be unreasonably withheld but may be conditioned on fulfillment of any reasonable conditions (including, without limitation, those set forth in Sections 18 (Conditions to Transfer) and 19 (Right of First Refusal)) and may be denied on any reasonable grounds, including (without limitation) that: (a) we deem the proposed transferee to be unqualified to operate the Franchise based upon an assessment of the proposed transferee's business acumen, aptitude, capability, financial stability or responsibility, or other relevant characteristics; or (b) you are in default under this Franchise Agreement. No transfer will be made unless the transferee has secured the right to occupy the Franchised Location for the balance of the term of this or any applicable franchise agreement.

17.3 Additional Conditions.

In addition to any other conditions and any other reasonable grounds, our consent to a Transfer to an entity may be subject to any or all of the following: (i) you owning all of the equity interests in the entity or us consenting to the transfer of a portion of the equity to holders other than you, and you agreeing, in writing, to own legally and beneficially a majority of the ownership of the entity at all times during the Term; (ii) the certificates (if any) evidencing ownership of the relevant entity bearing an appropriate legend prominently disclosing the existence of the restrictions on transfer set forth in this Franchise Agreement; (iii) you agreeing to serve as the principal executive officer of the entity at all times during the Term; and/or (iv) each owner executing a personal guarantee of the entity's obligations to us.

17.4 Estate Planning

We will approve any Transfer during your lifetime to the trustee of a trust or estate-planning entity, the sole beneficiaries of which are you, your spouse, domestic partner, or descendants, or some combination of them that will not result in any change in the management of the Franchise if you give us notice and provide the updated records of ownership and control.

17.5 Effect, Information.

(A) Any attempt to execute a Transfer other than in accordance with the provisions of this Franchise Agreement will be null and void. Consent by us to any Transfer will not be deemed a waiver of this provision or consent to any subsequent assignment, sale, transfer, encumbrance, or other disposition. Our approval of any proposed Transfer will not be a representation or warranty by us that the terms or conditions of the proposed Transfer are economically sound or that the proposed transferee will be capable of successfully conducting the Franchise.

(B) We will have the right, but no obligation, to furnish any prospective transferee with copies of all records or reports delivered to us by you during the three (3) year period prior to the date on which approval of the proposed transfer is requested. We will have the right, but no obligation, to advise any prospective transferee of any uncured breach or default by you under this Franchise Agreement or any other agreement relating to the Franchise.

18. **CONDITIONS TO TRANSFER**

We granted you this Franchise for the full Initial Term and if applicable a designated Renewal Term. You do not have the unconditional right to transfer this Agreement. If your material circumstances change during any term you may request our permission to Transfer your Franchise, you must give us 30 days written notice before you take any action related to transferring the Franchise (including but not limited to placing the Franchise or Franchised Location on the market or otherwise seeking prospective transferees). We may refer to you interested parties and you agree to exercise good faith in evaluating their interest. After 30 days, subject to our approval, you may solicit interest in your Transfer. Our approval of any proposed new franchisee will not be unreasonably withheld, but may be conditioned upon whether your Franchise is in good standing and other factors. Any party wishing to be considered for our approval of your Transfer must follow the steps for becoming a qualified franchisee prospect (e.g., complete the new franchisee application, credit check, due diligence, and such other then-applicable processes). We reserve our Right of First Refusal outlined in Section 19 below.

No person (or entity) may succeed to any part or the entirety of your interest in this franchise or operate a franchise in your place and stead, unless and until:

(A) The prospective transferee has qualified as a Franchisee per the requirements of a new Franchisee including but not limited to the New Franchisee Application, background checks and other due diligence.

(B) That person and its proposed general manager have satisfactorily completed training prescribed by us;

(C) That person has agreed, in writing, to be bound by and has executed a copy of the form of franchise agreement and all exhibits and ancillary agreements (e.g., Guarantee, Property Interest (Spousal) Consent and Waiver) then

being offered by us to prospective franchisees, and has accepted all obligations for the orderly transition of the Franchise to avoid any interruption in the operation of the Franchise and processing of orders;

(D) That person has the right to occupy the Franchised Location for the current Term;

(E) We have received payment of the then-current “**Transfer Fee.**” The current Transfer Fee is \$10,000.00. We reserve the right to change this fee at any time.

(F) You have cured any breach of your contractual obligations to us;

(G) All sums then or thereafter payable by you to us have been paid or arrangements have been made for the assumption of those obligations by Transferee in a manner approved by us;

(H) You have paid all sums payable to any third party pursuant to any agreement between you and any third party relating to the Franchise, the Fixtures or equipment, the Franchised Location, or the financing of the initial franchise fee described in Section 8.1 (Initial Franchise Fee).

(I) You have executed a general release in favor of us (see sample form attached as **Exhibit H**); and

(J) You have provided to us written proof that you have paid in full all taxes due and owing to any federal, state, county, or local taxing authority.

19. RIGHT OF FIRST REFUSAL.

19.1 Right.

(A) Should you propose to make any Transfer, you will promptly give us written notice of the proposed Transfer, including a description of the interest of which you propose to Transfer, the identity of the proposed transferee, the nature of the proposed disposition, and the proposed consideration, terms, and conditions, if any. We or our nominee will have the first right to acquire the interest described in your notice by giving you notice of exercise of this right within thirty (30) days after our receipt of your notice. The notice of exercise will set forth a place and a date, not less than thirty (30) days nor more than one hundred twenty (120) days thereafter, for Transfer to us or our nominee of the interest described in your notice in return for the consideration, if any, described in your notice; provided, however, that we or our nominee may substitute an equivalent sum of cash for any consideration other than cash.

(B) On the date and at the place described in the notice of exercise, you will deliver appropriate written evidence of Transfer to us or our nominee of the interest described in your notice, subject to fulfillment by us of the conditions, if any, set forth in your notice and delivery by us or our nominee of the consideration, if any,

described in your notice; provided, however, that we or our nominee may substitute an equivalent sum of cash for any consideration other than cash.

19.2 Non-Exercise.

Should we fail to exercise the right of first refusal set forth in this Section, subject to the provisions of Sections 17 (Limitations on Transfer of Franchise) and 18 (Conditions to Transfer), you may Transfer the interest described in your notice to the party named in your notice, in the manner, for the consideration, and on the terms and conditions, set forth in your notice; provided, however, that if the Transfer is not made within ninety (90) days after the expiration of our right of first refusal, any subsequent Transfer will be deemed to be a Transfer subject to that right of first refusal. Nothing contained in this Section will be deemed or construed to give you the right to Transfer any interest in this Franchise Agreement or the Franchise other than in accordance with the restrictions in this Franchise Agreement.

20. **CONDITIONS FOR SALE UPON DEATH OR DISABILITY, RIGHT TO APPOINT MANAGER.**

20.1 Conditions.

(A) Should you die, be rendered incapable of attending to the Franchise for a period in excess of forty-five (45) days in any nine (9) month period, be certified as mentally incompetent by a licensed medical doctor, or have a guardian or conservator appointed (individually and collectively, an **"Incapacitating Event"**), whether or not the Franchise has previously been transferred to a trust, we may require that you or your heirs, beneficiaries, personal representative, estate, guardian, conservator, or other successor in interest or the trustee of any trust (individually and collectively, **"Your Successor"**) list the business with a licensed broker qualified to sell franchises and business opportunities, and sell within one hundred eighty (180) days for the best offer obtained within one hundred twenty (120) days after listing, all of your interest in this Franchise Agreement, the Franchise, the Fixtures, and Your Lease, or otherwise grant the buyer the right to occupy the Franchised Location for the balance of the current Term, subject to the restrictions on transfer of this Franchise Agreement.

(B) Within ten (10) days after any Incapacitating Event, you or Your Successor will deliver to us written notice of that occurrence. We may, in our sole discretion, exercise our right of first refusal to purchase your business (for us or our nominee) or require that it be sold. In either case, we will give you or Your Successor notice of that election within forty-five (45) days after we receive written notice of the Incapacitating Event. Within twenty (20) days after receipt of our notice of exercise, you or Your Successor will deliver to us written evidence of the required listing, or schedule a date for the closing on the purchase.

(C) Should we fail to exercise the rights set forth in this Section, and if you are not then in default pursuant to this Franchise Agreement, you may continue to operate the Franchise or Your Successor may succeed to your interest in this Franchise

Agreement and the Franchised Location and operate the Franchise after satisfying the conditions set forth in Section 17 (Conditions to Purchase Your Franchise, New Franchisee, Franchise Fee).

20.2 Right to Appoint Manager.

During any period of your incapacity or on the happening of any Incapacitating Event, we may appoint a manager to operate the Franchise until you are capable of attending to the Franchise or a transfer of your interest in this Franchise Agreement is effected in accordance with this Franchise Agreement. You or Your Successor will reimburse us for the compensation, benefits, and travel costs of that manager within thirty (30) days after receipt of an invoice.

21. **RENEWAL AND EXPIRATION.**

21.1 Renewal Terms.

Except as otherwise provided in this Section, you may renew this Franchise for two (2) additional consecutive five (5) year terms (each a “**Renewal Term**”, and together with the Initial Term, the “**Term**”), subject to the satisfaction of the conditions set forth in Section 21 for each Renewal Term (the “**Renewal Conditions**”). For the avoidance of doubt, the parties acknowledge and agree that you are entitled to two (2) Renewal Terms (subject to satisfaction of the Renewal Conditions) with the first Renewal Term commencing upon the expiration of the Initial Term, and that the number of Renewal Terms to which you are entitled shall not be modified by the terms of any subsequent franchise agreement which you may execute in connection with a renewal of this Franchise.

21.2 Renewal Requirements.

We will provide you timely written notice of your eligibility for a renewal (a “**Renewal Notice**”). The Renewal Notice will specify a time period during which you may accept the renewal and return the required documents. If you are not eligible for a renewal, you will receive notice that this Franchise Agreement will expire in accordance with its terms and will not be renewed. In order to be eligible for renewal, the following conditions must be met:

(A) You continue to have a right to occupy the Franchised Location and operate the Franchise for such a renewal term;

(B) You have responded to the Renewal Notice by providing us with written notice of your intent to renew this Franchise, which notice must be received by us no later than one hundred eighty (180) days prior to the termination date of the then current Term;

(C) You deliver to us with your signed agreement, in lieu of the initial franchise fee set forth in the form of franchise agreement then being offered by us, our then-current renewal fee. Our current renewal fee is \$6,000;

(D) You execute our then-current form of franchise agreement, with all exhibits, which agreement shall supersede in all respects this Franchise Agreement except for the number of renewal terms remaining. You acknowledge that market conditions and other circumstances may have materially changed since you became a Franchisee, and you acknowledge that the terms of the new Franchise Agreement may differ in significant ways from the terms of this Franchise Agreement, including without limitation a different royalty rate, fee structure, advertising fee rates, technology, and adjustments to the Territory;

(E) You execute a general release, in a form prescribed by us, of any and all claims against us and our Affiliates, and our and their respective officers, managers, directors, partners, owners, employees and agents in their corporate and individual capacities, through the date of renewal (see current example attached as **Exhibit H**);

(F) You comply in all respects with our then-current training requirements, including without limitation training requirements designed for renewing franchisees;

(G) You have paid all sums payable by you to any third party pursuant to any agreement between you and any third party relating to the Franchise, the Fixtures or equipment, the Franchised Location, or the financing of the initial franchise fee; and

(H) If required by us, you make, at your expense, all capital expenditures necessary to remodel, modernize, and redecorate the Franchised Location to conform to our then-current standards outlined by us in writing.

21.3 Non-Renewal For Repeated Defaults.

Notwithstanding the foregoing, you may not renew the Franchise granted by this Franchise Agreement and your notice will be void and of no effect if you have received three (3) or more notices of default during any twelve (12) month period during the Initial Term or any Renewal Term or more than five (5) notices of default throughout the Initial Term or any Renewal Term, whether or not those defaults were cured, and you may not renew the franchise granted by this Franchise Agreement at any time when you have breached and not cured or are in default under any agreement between you and us. Should you be in breach or default under any agreement between you and us at any time after giving notice of renewal and prior to the first day of the renewal term, we may declare your notice void and of no effect and the existing Term of the Franchise Agreement will expire as if notice had not been given.

21.4 Statutory Notice.

Should any applicable law, ordinance, rule, or regulation of any governmental entity or agency require that we give you notice prior to the expiration of the Term, if that notice is not given within the required time period, this Franchise Agreement will remain

in effect on a month-to-month basis until we have given the required notice and the notice period has expired.

21.5 Expiration.

Upon expiration of the Initial Term or any Renewal Term of this Franchise Agreement, if you continue to operate the Franchise with our express or implied consent, the continuation will be a month-to-month extension of this Agreement, unless otherwise agreed in writing (“**Continuation Term**”). All provisions of this Agreement, including all Exhibits and the personal guaranty, will apply while you continue to operate the Franchise during the Continuation Term. The Continuation Term of this Agreement will then be terminable by either party on thirty (30) days’ prior written notice to the other party. Upon the termination date in the termination notice, the post-term obligations and the Procedure for Winding-Up the Franchise shall commence.

22. **OUR TERMINATION RIGHTS.**

22.1 Curable Defaults.

We may terminate this Franchise Agreement immediately and without further notice if you:

(A) Fail to pay, when due, any sum due and payable to us pursuant to this Franchise Agreement and do not make that payment, including all applicable late charges and interest, within five (5) days after receipt of notice from us;

(B) Fail to adhere to the product, supply, fixtures, equipment, decorating of the showrooms, and other specifications, standards, rules, regulations, methods, techniques, and procedures set forth in the Bella Owners Manuals, including periodic revisions thereto, and do not take appropriate corrective action within three (3) days after receipt of notice from us;

(C) Fail to (i) carry any Approved Product on a daily basis designated by us, including periodic revisions of any listing of Approved Products and/or (ii) invest in Samples as required by Section 9.2 (Products, Samples and Vendor Agreements), and do not take appropriate corrective action within three (3) days after receipt of notice from us;

(D) Violate the provisions of Section 3.2 (Restricted and Required Use) regarding the restricted and required uses of the Bella Marks or Bella System and do not take appropriate corrective action within three (3) days after receipt of notice from us;

(E) Fail to maintain the sales volume required by Section 13.5 (Sales Volume); provided that prior to terminating the Franchise Agreement pursuant to this subparagraph (E), we will give you a period of ninety (90) days to increase sales volume to a level that we deem adequate for your Territory;

(F) Fail to make any report or maintain and retain any records in accordance with Sections 8.4 (Gross Revenue Reports), 11.1 (Registers; Checks; Records), 11.2 (Your Periodic Reports) or 11.3 (Tax Returns; Other Reports), and do not cure that failure within ten (10) days after receipt of notice from us;

(G) Fail to deliver to us, on or before the date described in Section 14.1 (Coverage), evidence of the insurance coverage required by Section 14 (Insurance) and do not obtain that insurance within five (5) days after receipt of notice from us;

(H) Fail to comply with any law, ordinance, rule, or regulation applicable to the Franchise or the Franchised Location, fail to pay any taxes, or fail to obtain any permits described in Section 16.1 (Your Duty) within ten (10) days after the earlier of notification of noncompliance or receipt of our demand for compliance;

(I) Default in the performance of any of your covenants, duties, or obligations pursuant to any other agreement between you and us or any third party relating to the Franchise, the Fixtures, the Franchised Location, or the financing of the initial franchise fee described in Section 8.1 (Initial Franchise Fee), and do not cure that default within the time, if any, allowed for cure;

(J) Have any decree or order for relief issued with regard to you or any of your owners in an involuntary case under any applicable bankruptcy, insolvency, or other similar law, now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, or similar official for you or any substantial part of your property, or ordering the winding up or liquidation of your affairs, and that decree or order remains unstayed and in effect for a period of sixty (60) consecutive days;

(K) Fail to obtain release of any writ of attachment or execution levied against your interest in the Franchise, the Franchised Location, or any fixtures, equipment, monies, goods, or inventory located in or on the Franchised Location within five (5) days after levy;

(L) Fail to satisfy any final judgment against you or the Franchise for thirty (30) days without filing a supersedes or other appeal bond, and the Franchise, the Franchised Location, or any fixtures, equipment, monies, goods, or inventory situated at or in the Franchised Location are seized, taken over, or foreclosed on by any government official, creditor, lien holder, or lessor;

(M) Fail to pay, within forty-five (45) days after the due date, any debt to any creditor for equipment or fixtures located in or on the Franchised Location or goods sold or services rendered to the Franchise, unless you in good faith dispute the accuracy or legitimacy of that debt and are actively attempting to resolve the dispute; or

(N) Default in the performance of any of your covenants, duties, or obligations pursuant to this Franchise Agreement or fail to fulfill any condition of this Franchise Agreement not described in subparagraphs (A) through (M) of this Section and do not cure that default within ten (10) days after notice from us.

22.2 Non-Curable Defaults.

We may terminate this Franchise Agreement immediately and without an opportunity to cure if you:

(A) Violate the provisions of Section 3.2 (Restricted and Required Use) regarding restrictions on use of the Bella Marks or Bella System and/or fail to utilize the Bella Trade Marks or Bella System in the operation of the Franchise, or use an unauthorized different name or mark at the Franchised Location;

(B) Disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Bella System, any of the contents of the Bella Owners Manuals or any of the Confidential Information to any person or entity;

(C) Submit to us on three (3) or more occasions during the Term, whether or not consecutive, reports of gross revenue that any audit or audits conducted by us pursuant to Section 11.5 (Database Access; Inspections and Audits; Penalties) reveal to have understated gross revenue by two percent (2.0%) or more;

(D) Fail to cause a Trained Employee to manage the Franchised Location and to devote no less than forty (40) hours per week to the management of the Franchised Location, except as a result of a Force Majeure;

(E) Suffer a cancellation by the carrier of any insurance described in Section 14 (Insurance) and fail to obtain replacement coverage no less than ten (10) days before the cancellation date and/or fail to name us as an additional insured or fail to maintain us as “additional insured;”

(F) Purport to assign, sell, transfer, encumber, or otherwise dispose of all or any portion of your interest in this Franchise Agreement or the Franchise in violation of Sections 17 (Conditions to Purchase Your Franchise, New Franchisee, Franchise Fee), 18 (Limitations on Sale of Franchise) or 20 (Conditions for Sale Upon Death or Disability, Right to Appoint Manager);

(G) Cease to operate the Franchise or do not open the Franchised Location for business in violation of Section 13.4 (Your Efforts and Hours), unless that failure is due to a Force Majeure;

(H) Fail on three (3) or more occasions in any twelve (12) month period to pay when due any sum due and payable to us pursuant to this Franchise Agreement;

(I) Fail to comply with each and every term, covenant, and condition and to perform timely each of your duties and obligations pursuant to this Franchise Agreement, other than your obligation to pay money to us, on three (3) or more occasions in any twelve (12) month period or on more than ten (10) occasions throughout the Term;

(J) Commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect, or consents to the entry of an order for relief in any voluntary case under any such law, or consents to the appointment of a receiver for you or the Franchise, or taking by a receiver, liquidator, assignee, custodian, trustee, or similar official for you of any substantial part of the property of the Franchise, or make any general assignment for the benefit of creditors, fail generally to pay your debts as they become due, admit your inability to pay your debts as they become due, or take any action in furtherance of the foregoing;

(K) Commit any act or engage in any conduct, including without limitation engaging in online activities, that competes with, or reflects materially and unfavorably on, endangers, or damages the Bella Marks, Bella System goodwill, or reputation, or the reputation or operation of the Franchise;

(L) Are convicted of any felony;

(M) Make any material misrepresentation to us;

(N) Cease to have the right to occupy the Franchised Location and fail to relocate the Franchise as provided in Section 5.2 (Right to Relocate);

(O) At any time during or upon completion of the training described in Section 7.1(A) (Minimum Training and Competency), fail to demonstrate, in our sole judgment, satisfactory ability to operate the Franchise;

(P) Fail to select and obtain a right to occupy a location for the Franchise approved by us within one hundred twenty (120) days after the date of this Franchise Agreement.

(Q) Fail to open the Franchised Location for business within ninety (90) days after the execution of this Franchise Agreement; or

(R) Fail, in our sole discretion, to maintain the financial ability to operate your Franchise in compliance with the standards set forth in this Franchise Agreement.

23. CONTINUING LIABILITY.

Notwithstanding the termination of this Franchise Agreement pursuant to Section 22 (Our Termination Rights), we will retain all rights and remedies given us by this Franchise Agreement or by law, and you will remain fully liable for the performance of your duties and obligations arising out of this Franchise Agreement or the operation of the Franchise, including (without limitation) payment of: (a) all amounts then due to us or that have become due to us as a result of that termination; (b) the salaries of your employees and all taxes related to those salaries; and (c) all costs and expenses incurred and all profits lost by us as a result of the termination.

24. PROCEDURE FOR WINDING UP FRANCHISE.

We granted you this Franchise for the full Initial Term and if applicable a designated Renewal Term. You do not have the unconditional right to voluntarily terminate this Agreement. It is extremely disruptive to the System for any location to close before the end of the Term. Accordingly, you agree that the following conditions are material terms of this Agreement and must be followed.

24.1 Procedure.

You acknowledge that it may take up to six (6) months after a dress purchase to finalize a customer's order. You are responsible for processing all orders that you accept and for providing service consistent with our standards. This time period may extend beyond a termination or the expiration of this Franchise Agreement. Accordingly, you must make arrangements in advance of such termination or expiration. You agree to cooperate with us prior to such termination or expiration to develop a wind-down plan that will accommodate any orders for which you accept payment.

(A) Upon cancellation, termination, or expiration of this Franchise Agreement, subject to our agreed wind-down plan, you will:

(i) Cease to use the Bella Marks, and Bella System and the Confidential Information, or any of them, in any manner whatsoever and execute all documents necessary to give notice of cessation, including (without limitation) a statement of abandonment of fictitious business name;

(ii) Maintain the confidence and not thereafter disclose or use any Confidential Information or any information disseminated to you regarding the Bella System or the Confidential Information;

(iii) Immediately (a) return to us the Bella Owners Manuals previously lent to you, complete and intact, all materials containing any Bella Marks or any other trade names or marks then belonging to us, all materials relating or referring to or containing the Bella System or the Confidential Information, and all materials containing our copyright, symbols, devices, insignia, designs, labels, or logotypes, including (without limitation) all of our bulletins, instruction sheets, memoranda, guidelines, and forms and (b) to the extent that we or another party are not taking over your Franchised Location, remove all displays of Bella Marks (including signs), other items identifying "Bella Bridesmaids," or any other marks or indicia belonging to BB, and take any other actions required to change the dress of the location so that it does not resemble a Bellla showroom;

(iv) Do any and all things necessary or appropriate to transfer to us or our nominee any telephone numbers and Access Credentials used in connection with the Franchise and make appropriate changes in directory listings;

(v) Do any and all things necessary or appropriate to transfer to us or our nominee any licenses, permits, and authorizations necessary for the operation

of the Franchise, including without limitation all business licenses and alarm permits; and

(vi) Pay us, on or before the expiration date or the effective date of the termination, all sums due or to become due to us pursuant to this Franchise Agreement. Because we would be losing a franchised location, upon termination pursuant to any default or breach by you, such sums will include, but are not limited to, actual and consequential damages, costs and expenses (including reasonable legal fees) that are incurred by us as a result of your default or breach in an amount equal to the last twelve (12) months' Royalty fees due and payable pursuant to Section 8.2 (Royalty)(or, if the Franchised Location has been open for business less than twelve (12) months, an annualized estimate of your Royalty fees calculated by us in good faith), multiplied by the number of years (pro-rated for partial month) left in the Term, which amount you agree reasonably approximates the losses and expenses we will suffer as a result of our loss of a franchised location.

(B) Upon cancellation of this Franchise Agreement prior to the Commencement Date pursuant to any Subparagraphs of Section 22 (Our Termination Rights), in addition to the requirements of Section 24.1(A), if we so require, you will: (i) vacate the Franchised Location on or before the effective date of the cancellation or termination and assign your Lease to us or our nominee or, if you are the owner of the Franchised Location, lease the Franchised Location to us or our nominee on terms acceptable to us; (ii) sell or assign to us or our nominee all of your interest in all or any portion of the signs, fixtures, or equipment located on or at the Franchised Location, and we or our nominees will accept and assume your obligations under any lease of those signs, fixtures, or equipment and will pay you for your interest in those signs, fixtures, or equipment owned by you a sum equal to the aggregate of the payments made by you to acquire your interest in those signs, fixtures, or items of equipment, less any portion of that sum paid by you as interest and a depreciation allowance of ten percent (10.0%) for each year since their purchase; and/or (iii) sell to us or our nominee the goods, supplies, and merchandise in the Franchised Location to us for the same price you paid for them. If we or our nominee exercises the right to acquire a leasehold interest in the Franchised Location within thirty (30) days after your submission to us of an itemized statement accompanied by receipted bills detailing the expenses incurred by you in connection with the Improvements, all supporting data, and mechanic's and material man's lien releases covering all of the work described in the statement, we or our nominee will pay you the amount shown in the statement, subject to a ten percent (10.0%) restocking fee. Notwithstanding the foregoing, the purchase price for any obsolete or unusable items, or items in quantities in excess of amounts reasonably required for the operation of the Franchise, shall be one dollar (\$1) in the aggregate.

(C) Notwithstanding the foregoing, we will not be required to purchase any fixtures, equipment, goods, supplies, and merchandise of a brand not then approved by us or not meeting our subjective quality standards or any specifications established by us.

24.2 Failure to Perform.

Should you fail to perform any act described in Section 24.1 (Procedure) within the applicable time period, in addition to all other rights given to us by this Franchise Agreement or by law, we may:

(A) Enter the Franchised Location without being deemed guilty of trespass or conversion or any other tort and without liability to you or your successors in interest and make the changes and removals described in Section 24.1 for and at your expense, payable on demand;

(B) Execute for and in your name any instruments necessary to accomplish the things described in Section 24.1, and you hereby irrevocably appoint, constitute, and designate us as your attorney-in-fact to do any and all acts and things necessary to accomplish the winding up of the Franchise in accordance with Section 24.1; and

(C) If we have the right to enter and occupy the Franchised Location, remove from the Franchised Location and store, at your expense at a location selected by us, all personal property in the Franchised Location that we do not acquire pursuant to Section 24.1. We may sell all such property in satisfaction of storage costs and any other amounts due us pursuant to this Franchise Agreement if it is not claimed and all storage costs are not paid within forty-five (45) days after the cancellation or termination of this Franchise Agreement.

25. RIGHT TO SPECIFIC PERFORMANCE AND INJUNCTION.

Because the Franchise is part of a system of commercial establishments having a common appearance and presenting a uniform public identity and because the Bella Marks and Bella System are unique, your failure to comply with the terms of this Franchise Agreement would cause irreparable damage to us, other Bella Bridesmaids franchisees, and the Bella Marks and Bella System. Accordingly, should you fail to comply with any of your obligations and covenants pursuant to this Franchise Agreement, we shall be entitled to a decree of specific performance enforcing those provisions and a temporary restraining order and preliminary injunction against your continued conduct in violation of this Franchise Agreement, from any court of competent jurisdiction, without posting a bond or other security in excess of one thousand dollars (\$1,000), in addition to all other remedies at law or equity. In addition, in the event that we exercise our right to cancel this Franchise Agreement for any reason pursuant to Section 22 (Our Termination Rights), we shall be entitled to a temporary restraining order and preliminary injunction entitling us to enter the Franchised Location, exclude you from the premises, shut down operations, and conduct the orderly winding up of your Franchise pursuant to Section 24 (Procedure for Winding Up Franchise), without posting a bond or other security in excess of one thousand dollars (\$1,000), in addition to all other remedies at law or equity.

26. LATE CHARGE, APPLICATION OF PAYMENTS, SERVICE CHARGES.

26.1 Late Charge.

You acknowledges that if we do not receive payment of any sum payable to us pursuant to this Franchise Agreement on or before the due date, we will incur certain expenses not contemplated by this Franchise Agreement, including without limitation processing, accounting, legal, collection, and other administrative expenses, the exact amount of which would be extremely difficult and impracticable to ascertain. Therefore, you agree that if any payment due to us from you pursuant to this Franchise Agreement is not received by us within five (5) days after the due date (for example, in the case of a Royalty payment within five (5) days after the Payment Date = the fifteenth (15th)), you will deliver to us with the past due payment, in addition to the applicable accrued interest on the past due amount, a late charge equal to one hundred dollars (\$100.00) together with interest at the Default Interest Rate. You agree that this late charge represents a fair and reasonable estimate of the expenses we will incur by reason of late payments. Acceptance of any late charge will not constitute a waiver of your default with respect to the past due amount or prevent us from exercising any other rights given us by this Franchise Agreement or by law.

26.2 Application of Payments.

We have the right to set off and may apply any payments received from you or any amounts we may hold on your behalf to any items then due or past due from you regardless of any designation made by you.

26.3 Service Charge.

You acknowledge that if we exercise any of the rights given us by Sections 5.5 (Maintenance, Repairs, Renovations, Refurbishment), 11 (Reports), 14 (Insurance), or 16.2 (Taxes and Licenses), we will be performing for and on your behalf certain of your obligations and duties pursuant to this Franchise Agreement and, in so doing, we will incur certain expenses not otherwise contemplated by this Franchise Agreement, the exact amount of which would be extremely difficult and impracticable to ascertain. Those expenses include (without limitation) administrative costs related to the procurement and supervision of the remedial work, and processing, accounting, legal (pursuant to Section 24) and collection costs. Therefore, you agree that if we take any remedial action permitted by Sections 5 (Location; Relocation; Lease Terms), 11 (Reports), 14 (Insurance), or 16 (Taxes and Assessments, Permits, and Licenses), you will pay us, on demand, a service charge equal to five percent (5%) of the charges incurred by us in taking that remedial action, but in no event, less than three hundred fifty dollars (\$350.00). You agree that this service charge represents a fair and reasonable estimate of the costs we will incur in taking that remedial action. Acceptance of any service charge will not constitute a waiver of your default with regard to the obligation or duty we elected to fulfill or prevent us from exercising any other rights given us by this Franchise Agreement or by law.

27. DISPUTE RESOLUTION.

27.1 Negotiation.

Except for those Exclusions described below, the parties agree to take all reasonable steps to resolve disputes between them without resorting to arbitration. A “**Dispute**” means any action, dispute, claim, or controversy of any kind, in any way pertaining to this Agreement or the Franchise relationship among the parties. At a minimum, the parties agree that prior to filing a demand for arbitration, the aggrieved party shall send the other party a written “Notice of Dispute.” Such Notice of Dispute will provide the facts related to the dispute and the relief requested, including any damages or injunctive relief sought. The party receiving the Notice of Dispute will respond within fifteen (15) business days providing its version of the facts and its response regarding relief requested. Thereafter, the principals of both parties agree to meet in person to negotiate in good faith to resolve the dispute.

27.2 Arbitration.

Except for those Exclusions below, and after the parties have concluded their in-person negotiation, upon the demand of any party, any Dispute shall be determined by arbitration in the city closest to our headquarters (currently Chicago, Illinois) before one arbitrator. You agree not to object to this locale. This includes claims related to the breach, termination, enforcement, interpretation, or validity of this Agreement and the determination of the scope or applicability of this Agreement to arbitrate.

27.3 Limitation.

You agree that any Disputes are barred unless you bring them before the earlier of a) within one (1) year following the act, transaction, or occurrence upon which such claim is based; or b) one (1) year after this Agreement expires or terminates for any reason. Any claim or action not brought within such time periods shall be forever barred.

27.4 Exclusions.

The parties agree that the following claims will not be subject to the time constraints of the negotiation requirements above or arbitration:

(A) any action for equitable relief to enjoin harm or threat of harm to such party’s tangible (e.g., buildings, goods) or intangible property (e.g., Confidential Information, Licensed Marks, and other intellectual property) including without limitation preliminary and permanent injunctive relief, specific performance, and declaratory relief;

(B) any action to eject one from, or take possession of real or personal property; and

(C) our issuance of a notice of default or Notice of Termination, or taking of other enforcement action that may later result in a Dispute between us.

27.5 Governing Rules.

The arbitration shall be administered by JAMS alternative dispute resolution service pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. Any party may by summary proceedings, bring an action in court to compel arbitration of a Dispute. Any party who fails or refuses to submit to arbitration following a lawful demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Each party shall otherwise pay its own costs and expenses of the arbitration proceeding and the cost of the arbitrator shall be divided equally between the parties. All Disputes submitted to arbitration shall be resolved in accordance with the Federal Arbitration Act (Title 9 of the United States Code). All statutes of limitation applicable to any Dispute shall apply to any arbitration proceeding. All discovery activities shall be expressly limited to matters directly relevant to the Dispute being arbitrated.

27.6 Arbitrator Qualifications and Powers; Awards.

Arbitrators must be active members of the Bar of the State of Illinois or retired judges of the state or federal judiciary in the jurisdiction in which the arbitration is held, with expertise in the substantive laws applicable to the subject matter of the Dispute. Arbitrators are empowered to resolve Disputes by summary rulings in response to motions filed prior to the final arbitration hearing. Arbitrators (i) shall resolve all Disputes in accordance with the substantive law of the state in which the arbitration proceeding is held, (ii) may grant any remedy or relief that a court of the State of Illinois could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award, and (iii) shall have the power to award recovery of all costs and fees, to impose sanctions and to take such other actions as they deem necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the State Rules of Civil Procedure or other applicable law.

27.7 Damages.

The arbitrator may not award any punitive, incidental, indirect, or consequential damages, including damages for lost profits.

27.8 Miscellaneous.

To the maximum extent practicable, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within one hundred eighty (180) days of the filing of the Dispute. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business, by applicable law or regulation, or to the extent necessary to exercise any judicial review rights set forth herein. This arbitration provision shall survive termination and expiration of the Agreement or any relationship between the parties.

27.9 Confidentiality.

All arbitration proceedings, including testimony or evidence at hearings, will be kept confidential, although any award or order rendered by the arbitrator(s) pursuant to the terms of this Agreement may be confirmed as a judgment or order in any state or federal court of competent jurisdiction within the federal judicial district which includes the residence of the party against whom such award or order was entered.

27.10 Class Action Waiver.

Any arbitration or trial by a judge of any claim will take place on an individual basis without resort to any form of class or representative action ("**Class Action Waiver**"). The parties acknowledge that the Class Action Waiver is material and essential to the arbitration of any disputes between the parties and is non-severable from the agreement to arbitrate claims. If the Class Action Waiver is limited, voided, or found unenforceable, then the parties' agreement to arbitrate shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver.

27.11 Enforcement.

Proceedings to enter judgment upon, enforce, modify, or vacate any award or interim injunctive relief shall be governed by the Federal Arbitration Act and, to the extent lawful, shall be commenced in one of the following courts first, any Federal District Court in the State of Illinois, or if such jurisdiction is not available, any state court in the State of Illinois, and if none of the foregoing courts shall have jurisdiction, then any other court having jurisdiction over the matter and parties. The parties hereby explicitly consent to the jurisdiction of each of the foregoing court systems for proceedings brought pursuant to this Section.

WAIVER OF RIGHT TO JURY TRIAL AND PUNITIVE DAMAGES: BY EXECUTING THIS AGREEMENT YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY ILLINOIS LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL AND ANY RIGHT YOU MAY HAVE TO RECOVER PUNITIVE DAMAGES. BY EXECUTING THIS AGREEMENT YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF APPLICABLE STATE CODE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. YOU HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

27.12 Business Judgment.

We retain the right to operate, develop and change the Bella System and the products and services offered by the Franchised Location in any manner that is not specifically prohibited in this Franchise Agreement. Whenever we have reserved the right in this Franchise Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Franchise Agreement, make our decision or exercise our rights based on the information readily available to us and on our judgment of what is in our best interests, the best interests of our Affiliates and/or the best interests of the franchised locations as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our Affiliates or any other person or entity. The parties hereto recognize, and any mediator, arbitrator, or judge is affirmatively advised, that certain provisions of this Franchise Agreement describe our right to take (or refrain from taking) certain actions in the exercise of our discretion based on our assessment of the overall best interest of the network and/or franchise program. Where such discretion has been exercised, and is supported by our business judgment, no mediator, arbitrator, nor judge shall substitute their judgment for the judgment so exercised by us,

28. **NOTICES, PAYMENTS.**

28.1 Addresses.

All notices and demands required or permitted to be given pursuant to this Franchise Agreement will be given in writing and delivered personally, by email transmission with original following by mail, by registered or certified United States mail, postage prepaid, or by overnight carrier (e.g., Federal Express), with proof of delivery, addressed as follows:

If to us:

Bella Bridesmaids Franchise Group, LLC
1 East Delaware, Suite 301
Chicago, IL 60611
Attn: Kathleen O. Casey
312-943-0344
franchise@bellabridesmaids.com

With a copy to:

Susan Meyer, Esq.
UB Greensfelder, LLP
200 West Madison Street, Suite 3300
Chicago, IL 60606
Direct Dial: 312-345-5019
smeyer@UBGLaw.com

If to you:

With a copy to:

The addresses set forth in this Section may be changed by giving notice of that change in accordance with this Section.

28.2 Constructive Receipt.

Any notice shall be in writing and shall be mailed by certified mail, return receipt requested, personally delivered, or delivered by a recognized courier service (Federal Express, UPS, etc.), receipt acknowledged. Notices shall be addressed to the addresses listed above. Any notice complying with these provisions shall be deemed to be given three (3) days after mailing, or on the date of receipt, whichever is earlier. Each party shall have the right to designate any other address for such notices by giving notice to the other party in the foregoing manner.

29. MISCELLANEOUS.

29.1 Time of Essence.

Time is of the essence for each provision of this Franchise Agreement.

29.2 Successors and Assigns, Binding Effect.

Except as otherwise provided in Sections 17 (Conditions to Purchase of Your Franchise, New Franchisee, Franchise Fee), 18 (Limitations on Sale of Franchise), 19 (Right of First Refusal) and 20 (Conditions for Sale Upon Death or Disability, Right to Appoint Manager), the terms of this Franchise Agreement will apply to, be binding upon, inure to the benefit of, and be enforceable by our and your respective personal representatives, successors in interest, heirs, and assigns.

29.3 Severability.

If any portion of this Franchise Agreement is held by any court or other tribunal of competent jurisdiction to be unenforceable in such jurisdiction, the remainder of such provision will not be affected and will be given full effect, without regard to such unenforceable portion. It is the intention of the parties that if any portion of this Franchise Agreement is unenforceable in any jurisdiction, the remainder of such provision will not be affected and will be given full effect without regard to such portion

or will be modified to protect us and our Confidential Information to the maximum extent that the court finds enforceable.

29.4 Governing Law.

This Franchise Agreement has been made and entered into in the State of Illinois and shall be construed in accordance with the laws of the State of Illinois without giving effect to the principles of conflicts of law thereof. Notwithstanding the forgoing, if any of the covenants under this Franchise Agreement would not be enforceable under the laws of Illinois, and the Franchised Location is located outside of that state, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Location is located. Nothing in this section is intended by the parties to subject this Franchised Agreement to any franchise or similar law, rule or regulation of the State of Illinois to which it would not otherwise be subject.

29.5 Entire Agreement.

(A) This Franchise Agreement is intended to be a final expression of the agreement between you and us regarding the Franchise; its terms may not be contradicted by evidence of any prior or contemporaneous agreements. You and we further intend this Franchise Agreement to be a complete and exclusive statement of the terms of the agreement between you and us regarding the Franchise; no extrinsic evidence other than the related agreements to which reference is made in this Franchise Agreement may be used to interpret, explain, or supplement this Franchise Agreement.

(B) You represent and warrant to us that: (i) you have neither received, nor reviewed, and are not relying upon any earnings claims or financial performance representations other than those, if any, set forth in the FDD delivered in connection with the offer and sale of the franchise; (ii) you have not received or relied upon any promises regarding any financial assistance to be obtained from or through us; (iii) you have not received or relied upon any claim, representation, statement, or projection regarding future growth, income, or viability of the Franchise or the Bella Bridesmaids franchise system; and (iv) neither we, nor our officers, members, managers, agents, representatives, have made any representations or promises not expressly set forth in this Franchise Agreement or the FDD. Nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

29.6 Waiver, Modification.

No waiver or modification of any of the terms of this Franchise Agreement shall be valid unless in a writing signed by both parties. Failure by either party to enforce any rights under this Franchise Agreement shall not be construed as a waiver of such rights, and a waiver by either party of a default in one or more instances shall not be construed as a continuing waiver or as a waiver in other instances.

29.7 Survival of Covenants.

Wherever the context requires, your covenants and duties pursuant to this Franchise Agreement including, but not limited to, your covenants and duties under Section 2 (Confidential Information) and Section 3 (Trade Name, Trademarks, Service Marks, and Trade Secret License), will survive the cancellation, termination, or expiration of this Franchise Agreement. Confidential Information and our trade secrets will remain confidential until such time that we tell you otherwise.

29.8 Relationship of the Parties.

At all times, the relationship between you and us is and will be only that of licensor and licensee. You are not and will not hold yourself out as an agent, employee, legal representative, subsidiary, joint venturer, or partner of ours, and nothing contained in this Franchise Agreement or elsewhere will be construed to create any relationship between you and us other than as independent contractors. You will not have any right or power to and will not attempt to bind, make liable, or obligate us in any manner whatsoever. We do not owe you any fiduciary duties. Notwithstanding any other provision of this Agreement, it is acknowledged and agreed by both parties that you are solely responsible for all personnel and employment decisions relating to the Franchise, including, without limitation, decisions related to hiring, training, firing, discharging, and disciplining employees, and to supervising your employees, settling their wages, hours of employment, record-keeping and any benefits, and that we shall have no direct or indirect authority or control over any employment-related matters for your employees. You shall require each of your employees to acknowledge in writing that you (and not Bella Bridesmaids) are the employer of such employee.

29.9 Exhibits.

The Exhibits referred to in this Franchise Agreement are attached and hereby incorporated into this Franchise Agreement.

29.10 Construction.

The table of contents, headings, and captions are for convenience and reference only and are not to be construed as separate parts of this Franchise Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Franchise Agreement may require. The parties agree that each section of this Franchise Agreement shall be construed independently of any other section or provision of this Franchise Agreement.

29.11 Consent to Maintenance of Electronic Records.

You expressly consent and agree that we may provide and maintain all disclosures, agreements, amendments, notices, and all other evidence of transactions between you and us in electronic form. You expressly agree that electronic copies of the Franchise Agreement and related agreements between you and us are valid. You also expressly agree not to contest the validity of the originals or copies of the

Franchise Agreement and related agreements, absent proof of altered data or tampering.

29.12 Counterparts.

This Franchise Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument. Signatures sent by electronic transmission (such as DocuSign), or in portable document format (.pdf) sent by email shall constitute a valid and binding execution and delivery of this Franchise Agreement by such party, and such electronic copy shall constitute an enforceable original document.

29.13 Covenants and Conditions.

Each of your obligations and duties pursuant to this Franchise Agreement will be deemed to be not only a covenant but also a condition to any of our obligations or duties.

29.14 Information; Investigation; Compliance With FTC Rule and Franchise Investment Law; No Warranty of Success.

(A) You acknowledge that you: (a) have had an opportunity to investigate and analyze the Franchise independently and to discuss with such advisors as you deem appropriate and with other operators of Bella Bridesmaids the advisability, risks, and merits of purchasing and operating a Bella Bridesmaids franchise; (b) have had an opportunity to investigate, review, and analyze independently the Franchised Location, understand that our acceptance of that location does not constitute any warranty regarding its desirability, viability, or condition, and are not relying on any implicit or explicit representation from us regarding the Franchised Location or the Franchise's potential for success; and (c) if required, have received a copy of the Bella Bridesmaids FDD at the first personal meeting between you and us or our authorized franchise broker, no less than fourteen days before the date of this Franchise Agreement and the date any consideration was paid to us.

(B) We do not represent and have not promised that you will or is likely to be successful in or realize any profits from the operation of the Franchise. You acknowledge and agree that the success or failure or profitability of the Franchise is dependent on your efforts and business acumen and on other factors that are not within our control. We do not make any representations or warranties concerning current or continuing consumer acceptance of or market demand for the Bella products or the retail services provided by your showroom.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, you and we have executed this Franchise Agreement on the date first above written.

**Bella Bridesmaids Franchise Group, [Name of Franchisee]
LLC**

By:

Name: Kathleen O. Casey

Its: Manager

By:

Name:

Its: _____

EXHIBIT A
(to Franchise Agreement)
FRANCHISED LOCATION, TERRITORY

Franchised Location
(Address): _____

—

(City,
State) _____

—

Territory: _____

—

THIS ABOVE FRANCHISED LOCATION HAS BEEN SELECTED BY THE
UNDERSIGNED AND APPROVED BY BELLA BRIDESMAIDS FRANCHISE GROUP,
LLC

THIS _____ DAY OF _____, 20____

BELLA BRIDESMAIDS FRANCHISE GROUP, LLC

By: Kathleen O. Casey
Its: Manager

and Franchisee:

By: _____
Name: _____
Its: _____

EXHIBIT B
(to Franchise Agreement)

CONTROLLING PERSONS AND BOUND PARTIES

Acknowledgment Regarding Controlling Persons and Bound Parties.

You hereby acknowledge that you are a(n) (check one):

- | | |
|--|--|
| <input type="checkbox"/> individual | <input type="checkbox"/> corporation |
| <input type="checkbox"/> partnership | <input type="checkbox"/> limited liability company |
| <input type="checkbox"/> joint venture
(describe) | <input type="checkbox"/> other business form _____ |

You hereby represent and warrant that the following person is your designated contact person:

NAME, ADDRESS, TELEPHONE NUMBER	RELATIONSHIP TO FRANCHISEE
<i>Jane Doe 125 Main St. Anywhere, State 12345 111-555-1235</i>	<i>General Manager</i>

You hereby represent and warrant that the following persons are: (a) your legal or beneficial owners, (b) your directors, managers, officers, general partners, or persons serving in similar capacities and/or (c) your designated General Manager, each as indicated below:

NAME, ADDRESS, TELEPHONE NUMBER	RELATIONSHIP TO FRANCHISEE	OWNERSHIP (IF APPLICABLE)
<i>John Doe 123 Main St. Anywhere, State 12345 111-555-1234</i>	<i>Shareholder</i>	<i>50%</i>

You hereby represent and warrant that the following persons are Bound Parties:

NAME, ADDRESS, TELEPHONE NUMBER	RELATIONSHIP TO FRANCHISEE
<i>Jane Doe 125 Main St. Anywhere, State 12345 111-555-1235</i>	<i>General Manager</i>
	General Manager

You further covenant and agree that, in the event that you at any time in the future have individuals or entities who serve in the capacities required to be disclosed above, you will provide Bella Bridesmaids Franchise Group, LLC with an accurate and complete written update to this Bound Parties listing.

FRANCHISEE:

By: _____

Its: _____

EXHIBIT C

(to Franchise Agreement)

PROPERTY INTEREST (SPOUSAL) CONSENT AND WAIVER

The purpose of this waiver is to affect your property rights. This waiver operates effectively as a post-nuptial agreement as it supersedes and amends any prior understanding or agreement between you, the Waiving Party (as defined below) and the Franchise Owner (as defined below), whether written or oral. You are hereby advised to consult with counsel of your choosing before executing this Waiver.

Initials: _____

The undersigned spouse, partner (as that may be defined under applicable state law), civil union participant, or recognized spouse under common law marriage (the "Waiving Party"), hereby represents that he/she is a _____ (State) resident and is the spouse, partner (as that may be defined under applicable state law), civil union participant, or recognized spouse under common law marriage of _____ ("Franchise Owner"). The Waiving Party acknowledges and understands that, Franchise Owner or a corporation, partnership or limited liability company in which Franchise Owner is a principal owner (the "Franchisee"), will be entering, or has already entered into a Franchise Agreement with Bella Bridesmaids Franchise Group, LLC ("Franchisor") to acquire a Bella Bridesmaids franchise and operate a Bella Bridesmaids showroom. The Waiving Party hereby waives any right, now or in the future, to assert a community property or quasi community property interest in the franchise, the Franchise Agreement, the Bella Bridesmaids showroom or in the Franchisee. The Waiving Party understands that in the absence of this Property Interest (Spousal) Consent and Waiver, Franchisor, as a condition of granting the Bella Bridesmaids franchise to Franchise Owner, would have required the Waiving Party to personally enter into the Franchise Agreement or to execute a personal guaranty of all of Franchisee's obligations under the Franchise Agreement. The Waiving Party represents and agrees that the waiver of this condition by Franchisor is sufficient consideration for this Property Interest (Spousal) Consent and Waiver. The Waiving Party understands that if the Waiving Party did not wish to provide this Property Interest (Spousal) Consent and Waiver, the Waiving Party could have agreed to personally execute the Franchise Agreement or the personal guaranty. The Waiving Party hereby represents and acknowledges that the Waiving Party knowingly and deliberately elected not to do so and to instead provide this Property Interest (Spousal) Consent and Waiver. If notwithstanding this Property Interest (Spousal) Consent and Waiver, the Waiving Party claims or is awarded in a legal action a community property interest, quasi community property interest, or other ownership interest in the franchise, the Franchise Agreement, the Bella Bridesmaids showroom or in Franchisee, other than by way of a transfer approved in writing by Franchisor as provided in the Franchise Agreement, the Waiving Party hereby agrees, without further action or execution of further instruments, that at our option, (i) the Waiving Party will be personally bound by all of the terms of the Franchise Agreement and be liable for the performance of all obligations thereunder, or (ii) the claim or awarding of such interest in the franchise, the Franchise Agreement, the Bella

Bridesmaids showroom or in Franchisee constitutes grounds for termination of the Franchise Agreement as an unapproved transfer.

Signature: _____

Name: _____

Dated: _____

Witnesses

Signature: _____

Name: _____

Dated: _____

Signature: _____

Name: _____

Dated: _____

STATE OF _____)
) SS.
COUNTY OF _____)

Signed or attested before me on _____(date) by
_____ (name/s of person/s).

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

(Notarial Seal)

EXHIBIT D
(to Franchise Agreement)

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20____, by _____, an individual (if more than one person, collectively "**Guarantor**" or "**you**").

1. In consideration of, and to induce Bella Bridesmaids Franchise Group, LLC ("**we**" or "**us**") to enter into a franchise agreement dated _____, 20____ (the "**Franchise Agreement**"), with _____ ("**Franchisee**") each of the undersigned hereby personally and unconditionally (a) guarantees to us, and our successors and assigns, for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that you will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the indemnity provisions (all of which will be referred to as the "**Obligations**").

2. Each of the undersigned waives: (1) acceptance and notice of acceptance by us 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 obligations hereby guaranteed; (4) any right he or she may have to require that an action be brought against you or any other person as a condition of liability; (5) any and all other notices and legal or equitable defenses to which he or she may be entitled; and (6) any right to disclosures from us regarding your financial condition or that of any Guarantor.

3. Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty and Assumption of Obligations will be joint and several; (2) he or she will render any payment or performance required under the Franchise Agreement upon demand if you fail or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by us of any remedies against you or any other person; (4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to you 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 will in any way modify or amend his or her guaranty, which will be continuing and irrevocable during the term of the Franchise Agreement; (5) this Guaranty and Assumption of Obligations is made in and subject to IL law and any action to enforce it shall be brought in the courts located Chicago, Cook County, IL where jurisdiction and venue are proper; and (6) no claim, including a claim for contribution or subrogation, which any of the undersigned may have against a co-guarantor of any of the Obligations or you will be

enforced nor any payment accepted until the Obligations are paid in full and the payments are not subject to any right of recovery.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty and Assumption of Obligations on the date set across from his or her respective signature.

DATE

(signature)
Guarantor: _____

EXHIBIT E
(to Franchise Agreement)

**ASSIGNMENT OF TELEPHONE NUMBERS, EMAIL ADDRESSES, URLS, AND
SOCIAL MEDIA ACCESS CREDENTIALS; SPECIAL POWER OF ATTORNEY**

1. _____
[Your legal name] ("**you**"), to induce Bella Bridesmaids Franchise Group, LLC ("**we** or **us**") to grant you a franchise, hereby assigns to us all telephone numbers, email addresses, URLs and online and social media resources and access credentials, where you advertise, publicize, or otherwise make yourself known to customers or the public in the operation of a Bella Bridesmaids showroom (meaning a Bella Bridesmaids franchise), both now and in the future, in the Territory where the Bella Bridesmaids showroom is operated.

2. This assignment will automatically become effective immediately upon issuance of a Notice of Termination (meaning termination, expiration, or nonrenewal) of your Bella Bridesmaids Franchise. When the Franchise is terminated, you agree to do whatever is necessary to cause the companies providing service to the Bella Bridesmaids showroom to promptly transfer your telephone number(s), email address(es), URL(s), online and social media resources and associated directory and any other listings to us or our designee.

3. You agree to pay such service providers, on or before the date when the Franchise is terminated, all amounts you owe them in connection with the service, account, listing, directory, resources ,or directories as the case may be. You further agree to indemnify us for any amounts, obligations, or expenses, including legal fees that we must pay the service providers before the service providers will carry out this Franchise Agreement.

4. You appoint us as your attorney-in-fact to sign any documents and do anything(s) necessary to carry out the Franchise Agreement if you fail to sign or to do them within three (3) business days after the date of a Notice of Termination of the Franchise Agreement. You further agree to indemnify us for any expenses, including reasonable attorneys' fees, that we incur which would not have been incurred if you had performed as promised under the Franchise Agreement.

Dated: _____

By: _____

Name: _____

Its: _____

EXHIBIT F
(to Franchise Agreement)

FUNDS TRANSFER AUTHORIZATION AND WIRE TRANSFER INSTRUCTIONS

The undersigned depositor ("**Depositor**") authorizes Bella Bridesmaids Franchise Group, LLC ("**BBFG**") to request debit entries and/or credit correction entries to the Depositor's bank accounts indicated below and the depository ("**Depository**") to debit the account according to BB's instructions.

Depository Branch: _____
Street Address, City, State, Zip Code _____
Bank Transit/ABA Number _____
Account Number _____

This authorization is to remain in effect until Depository receives joint written notification from BBFG and Depositor of Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give BBFG and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty-five (45) days after posting, whichever occurs first, Depositor has sent Depository and BBFG a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

In addition to any payments made through BBFG requested debit entries to the Depositor's bank accounts, the Depositor may wish to send funds directly to BBFG through wire transfer. Wire transfers shall be made to BBFG using the following information:

Routing No.: 071000013 Chase
Account No.: 475425232 Checking Account
Bella Bridesmaids Franchise Group, LLC

[SIGNATURE PAGE FOLLOWS]

DEPOSITOR:

By: _____

Name: _____

Its: _____

DEPOSITORY:

By: _____

Name: _____

Its: _____

EXHIBIT G
(to Franchise Agreement)

FORM OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement (this “**Agreement**”) is made as of _____, 20____. The parties to this Agreement are _____ (“**Franchisee**”) and _____, an individual (“**Affiliate**”).

A. Franchisee is in the business of operating a showroom offering bridesmaid dresses, wedding apparel, accessories and other approved products, for sale to customers under the name “Bella Bridesmaids” pursuant to a Franchise Agreement with Bella Bridesmaids Franchise Group, LLC (“**BBFG**”). In connection with Franchisee’s business, Franchisee is using BBFG’s proprietary and confidential information including trade secrets and information relating to the Bella Bridesmaids System that is competitively advantageous and not generally known by the public, whether or not in written or tangible form and regardless of the media (if any) on which it is stored, including, without limitation, operating systems and techniques, record keeping and reporting methods, accounting systems, customer lists, management systems and techniques, training techniques, specifications for signs, displays, business forms, and business stationery to be used by franchisees, designs, the BBFG franchise manuals, ideas, proprietary software, research and development, know-how, unpublished lists of franchisees and suppliers, suggested pricing and cost information, business and marketing plans and proposals, and any copies thereof (collectively the “**Confidential Information**”).

B. During the course of Affiliate’s affiliation with Franchisee, Affiliate will have access and learn from Franchisee or BBFG much or all of the Confidential Information; and, as a condition of such affiliation, Franchisee and BBFG require that Affiliate execute this Agreement.

C. In light of the above facts and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Importance of Confidential Information.** Affiliate acknowledges that: (a) Affiliate has learned and/or will learn Confidential Information during Affiliate’s affiliation with Franchisee; (b) this Confidential Information is an important asset of BBFG; and (c) it is important to keep the Confidential Information confidential in order for Franchisee to protect its business and to maintain competitive advantages.

2. **Agreement to Maintain Confidentiality.** Affiliate agrees that both during and after the termination of Affiliate’s affiliation with Franchisee, Affiliate will: (a) guard and protect the Confidential Information so it does not fall into the hands of competitors or potential competitors or the general public; (b) refrain from using the Confidential Information for Affiliate’s own benefit or that of any other person or entity; (c) refrain from disclosing the Confidential Information to any other person or entity, unless authorized by

Franchisee and BBFG. Affiliate agrees that “use” and “disclosure” of the Confidential Information include use and disclosure through memorization and not only through use or disclosure of written material.

3. **Exceptions.** Franchisee agrees that the Confidential Information does not include information which Affiliate can demonstrate came to Affiliate’s attention before Affiliate learned it from Franchisee or which has become, through authorized disclosure by others, or public domain information (i.e., information freely available to everyone).

4. **Return of Materials.** If Affiliate’s relationship with Franchisee ends for any reason, Affiliate agrees to immediately return to Franchisee any of the Confidential Information in Affiliate’s possession or under Affiliate’s control.

5. **Non-Competition.** Affiliate agrees that in order to guard against the improper use of the Confidential Information and to avoid unfair competition with Franchisee and/or BBFG, Affiliate will not:

- a. During the term of Affiliate’s affiliation with Franchisee and for a period of twenty-four (24) months following the termination of Affiliate’s affiliation with Franchisee, for whatever reason, within a radius of fifty (50) miles of the location of any and all of Franchisee’s or any other Bella Bridesmaids showroom or Franchisee’s showroom (or other name under which Franchisee or BBFG are conducting business), directly or indirectly, manage, operate, control, be employed by, participate in or be connected in any manner with the ownership, management, control, or operation of any business similar to the type of business conducted by Franchisee as set forth above.
- b. During the term of Affiliate’s affiliation with Franchisee, and for a period of twenty-four (24) months following the termination of Affiliate’s affiliation with Franchisee, for whatever reason, either directly or indirectly, for Affiliate’s own account, or as an employee, consultant, partner, joint venturer, owner, officer, director or stockholder of any person, firm, partnership, corporation, limited liability company, or any other entity or in any other capacity, in any way, assist in soliciting, diverting, taking away or interfering with any of Franchisee’s employees, business, customers, trade or patronage.
- c. Affiliate agrees the restrictive covenants set forth above should not be construed to prevent Affiliate from being gainfully employed either in a non-competing business anywhere, or in a competing business that is outside the geographical limitation set forth in this Section, or after the restricted time period set forth in this Section.

6. **Assignment of Discoveries, Inventions and Improvements.** Affiliate agrees that because of Affiliate’s affiliation with Franchisee, Affiliate may from time to time develop discoveries, inventions, improvements and ideas (collectively called “**New Ideas**”) relating to Franchisee’s or BBFG’s business. Affiliate agrees to disclose Affiliate’s

New Ideas to Franchisee and agrees that any of those New Ideas that are applicable to Franchisee's or BBFG's business will belong solely to Franchisee or BBFG, as applicable. Affiliate hereby assigns all right, title, and interest in and to all New Ideas developed on Franchisee's premises, with Franchisee's or BBFG's resources, Confidential Information or contributions.

7. **Remedies.** Affiliate agrees that in order to protect Franchisee's and BBFG's interests if there is a breach or threatened breach of this Agreement, Franchisee or BBFG will be entitled to obtain, in addition to any other remedy, a temporary or permanent injunction and consent order for specific performance of this Agreement from any court of competent jurisdiction, without being required to furnish a bond or other security in excess of one thousand dollars (\$1,000). If an injunction is issued, but is later vacated, Affiliate agrees to waive any claim for damages as a result of the issuance of the injunction. Affiliate agrees that if Affiliate has any claims or causes of action against Franchisee or BBFG arising out of Affiliate's affiliation with Franchisee, such claims or causes of action will not constitute defenses to Franchisee's and BBFG's enforcement of this Agreement. Affiliate further agrees to indemnify and hold Franchisee and BBFG harmless from any loss or expenses (including attorney's fees) Franchisee or BBFG incur as a result of Affiliate's breach of this Agreement.

8. **Enforceability.** Franchisee and Affiliate agree that if any provision of this Agreement is deemed too restrictive in scope, it will be deemed modified to protect us and our confidential information to the maximum extent that the court finds enforceable. The parties acknowledge and agree that BBFG is an intended third-party beneficiary of, and entitled to enforce, this Agreement.

9. **Third Party Beneficiary.** The parties acknowledge and agree that Franchisor is an intended third party beneficiary of this Agreement, and accordingly, that Franchisor as well as the Franchisee shall have the right to enforce the provisions of this Agreement against Affiliate.

10. **Waiver.** If at any time with respect to any particular incident or breach, Franchisee or BBFG do not exercise their rights under this or any similar Agreement, it will not preclude it from doing so in any same or similar situation that subsequently occurs.

FRANCHISEE:

AFFILIATE:

By: _____
Title: _____

EXHIBIT H
(to Franchise Agreement)

FORM OF GENERAL RELEASE

This General Release ("**Release**") is made this date: _____
by

Franchisee: _____, a (check one) corporation,
limited liability company, partnership, individual formed in (state:)
_____ for the benefit of Bella Bridesmaids Franchise Group, LLC, an
Illinois limited liability company, ("**BBFG**") and each of the other parties identified herein.

BBFG and Franchisee are parties to that certain Franchise Agreement dated
_____ (as amended, supplemented, or modified, the "**Franchise**
Agreement"), pursuant to which Franchisee acquired rights to operate an BBFG office
located in (city:) _____, (state:) _____
(the "**Franchise**").

The Guarantors, pursuant to the terms and conditions of that certain Guaranty
and Assumption of Obligations attached to the Franchise Agreement (the "**Guaranty**"),
are obligated to render any payment or performance required under the Franchise
Agreement upon demand if Franchisee fails or refuses to do so punctually.

Pursuant to the Franchise Agreement, Franchisee is required to provide this
General Release as consideration for certain obligations and undertakings.

1. **Release.** Effective as of the above date, the Franchisee, for itself and for
its officers, directors, shareholders, members, agents, employees, insurance carriers,
Affiliates, subsidiaries, heirs, executors, administrators, attorneys, successors-in-
interest, and assigns (collectively, the "**Releasing Parties**"), and each of them,
irrevocably and unconditionally release and forever discharge BBFG and its officers,
directors, members, managers, agents, employees, insurance carriers, Affiliates,
subsidiaries, administrators, attorneys, successors-in-interest, and assigns (collectively,
the "**BBFG Parties**"), and each of them, from any and all causes of action, claims,
rights, judgments, obligations, damages, demands, accounts, or liabilities of whatever
kind and character, whether now known or hereafter made known, anticipated or
unanticipated, arising at law or equity which the Releasing Parties have, had, or may
have against the BBFG Parties. Franchisee agrees that each of the BBFG Parties is a
direct beneficiary with respect to each provision of this Release and may enforce each
of these provisions.

2. **California Provisions.**

a. Franchisee expressly waives and relinquishes all rights and benefits
afforded by Section 1542 of the Civil Code of California and do so understanding and
acknowledging the significance and consequences of such specific waiver. Franchisee

acknowledges that it is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

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

b. Franchisee expressly waives and relinquishes all rights and benefits afforded by Section 31512 of the California Corporations Code and do so understanding and acknowledging the significance and consequences of such specific waiver. Franchisee acknowledges that it is familiar with the provisions of California Corporations Code Section 31512, which provides as follows:

“Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order hereunder is void.”

c. Franchisee expressly waives and relinquishes all rights and benefits afforded by Section 20010 of the California Business and Professions Code and do so understanding and acknowledging the significance and consequences of such specific waiver. Franchisee acknowledges that it is familiar with the provisions of California Business and Professions Code Section 20010, which provides as follows:

“Any condition, stipulation or provision purporting to bind any person to waive compliance with any provision of this law is contrary to public policy and void.”

d. Franchisee expressly acknowledges that its release herein is also intended to include in its effect, without limitation, all claims which the Franchisee does not know or expect to exist in its favor at the time of execution of this Release, and that its release herein contemplates extinguishing all of these claims.

3. **Rights Not Assigned**. Franchisee represents and warrants to the BBFG Parties that neither it nor any Releasing Party has assigned or subrogated any of the rights, claims, and causes of action referenced in this Release, nor authorized any other person or entity to assert any of these claims on their behalf.

4. **Covenant Not To Sue**. Franchisee agrees and covenants, on behalf of itself and the Releasing Parties, not to file a lawsuit or any administrative proceeding against any of the BBFG Parties for any causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings, or liabilities of whatever kind and character.

5. **Governing Law**. This Release has been made and entered into in the State of Illinois and shall be construed in accordance with the laws of the State of Illinois without giving effect to the principles of conflicts of law thereof.

Exhibit H - FA

6. **Severability.** Whenever possible, each provision of this Release shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Release shall be or become prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Release. The parties intend this Release to be interpreted as broadly as possible.

7. **Final Release.** The Franchisee enters into this Release voluntarily with full knowledge of its significance, and intends that this Release is in all respects complete and final.

8. **Captions.** The various captions of this Release are for reference only and shall not be considered or referred to in resolving questions of interpretation of this Release.

9. **Counterparts.** This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

10. **Benefit of Counsel.** Franchisee acknowledges that it has read this Release, understood its provisions, and had the opportunity to consult with counsel of their choosing prior to executing this Release. Franchisee further acknowledges that it has relied upon its own judgment and that of its counsel in executing this Release and has not relied upon or been induced by any representation, statement, or act of any of the BBFG Parties or anyone else.

IN WITNESS WHEREOF, this Release has been made and entered into by the Franchisee as of the above date.

FRANCHISEE:

By: _____

Its: _____

Exhibit H - FA

EXHIBIT I
(to Franchise Agreement)

BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
RENEWAL AMENDMENT TO
[FRANCHISEE]
FRANCHISE AGREEMENT

This Amendment to the [FRANCHISEE] Franchise Agreement (“**Amendment**”) is made this ____ day of _____, 20____, by and between Bella Bridesmaids Franchise Group, LLC, an Illinois limited liability company (“**BBFG**”), and _____, a [[STATE] [ENTITY TYPE] / [individual] residing in [STATE]] (“**Franchisee**”).

RECITALS

A. BBFG and Franchisee (collectively, the “**Parties**”) are parties to that certain Franchise Agreement dated [DATE], [as amended] with an expiration date on [DATE] (the “**Franchise Agreement**”).

B. The Parties have continued to operate under the terms of the Franchise Agreement up to and including the date of this Amendment.

C. The Franchise Agreement provides Franchisee with a conditional renewal right to operate as a franchisee of the BBFG System for up to two successive five-year terms on the same terms upon which BBFG is then granting new franchises.

D. Concurrent with the execution of this Amendment, the Parties are executing a new BBFG Franchise Agreement containing the customary terms under which BBFG is now granting new franchises (“**Current Franchise Agreement**”) and waiving any requirements of prior notice by either party.

E. In recognition of the fact that Franchisee has been a BBFG franchisee for five years, BBFG is willing to modify the standard terms of the Current Franchise Agreement in accordance with this Amendment.

F. Franchisee desires to renew its franchise rights under the terms of the Current Franchise Agreement, as modified by this Amendment.

G. The Parties desire that the terms of the Current Franchise Agreement, as modified by this Amendment, shall govern their franchise relationship; and that the terms of the Current Franchise Agreement shall supersede the expiring Franchise Agreement and any understandings and/or unwritten agreement between the parties.

NOW, THEREFORE, in consideration of the undertakings and commitments of each party to the other party set forth herein and in the Current Franchise Agreement, the parties hereby agree as follows:

1. The opening paragraph shall be replaced by the following:

THIS FRANCHISE AGREEMENT (“**Franchise Agreement**”) is made and entered into this _____ day of _____, 20____ and is effective as of the _____ day of _____, 20_____ (“**Effective Date**”) by and between Bella bridesmaids Franchise Group, LLC, an Illinois limited liability company (referred to as “**we**,” “**us**,” or using similar words), and _____, a [[STATE] [ENTITY TYPE] / [individual] residing in [STATE]] (referred to as “**you**” or using similar words).

2. Section 4 (Term) shall be replaced by the following:

The term of this Franchise Agreement will begin as of the Effective Date, and end on the fifth (5th) year anniversary thereof (the “**First Renewal Term**”), unless this Franchise Agreement is cancelled or terminated in accordance with its terms prior to its expiration. After the First Renewal Term, you may renew the Franchise subject to the conditions and limitations contained in Section 21 (Renewal).

3. All references to the “Initial Term” are hereby replaced by the “First Renewal Term.”

4. Section 5.4 (Improvements, Opening) is hereby waived regarding Franchisee’s initial Improvements required to be completed at the Franchised Location prior to opening.

5. Section 6.2 (Opening Inventory and Supplies) is hereby waived.

6. Section 7.1 (Minimum Training and Competency) is hereby waived regarding Franchisee’s training prior to opening the Franchise and all other pre-opening requirements.

7. Section 8.1 (Initial Franchise Fee) shall be replaced by the following:

- (A) You will pay us a renewal fee of six thousand dollars (\$6,000) in immediately available funds (e.g., by wire transfer or cashier’s check) concurrently with your execution of this Franchise Agreement and the Renewal Agreement.
- (B) For any subsequent Bella Bridesmaids franchise that you open, the franchise fee due concurrently with your execution of the then-current franchise agreement will be 75% of the then-current initial franchise fee.
- (C) Due to the expenses that we incur in furnishing assistance and services to you, and the lost opportunity to negotiate with others for this franchise, the renewal fee will be deemed fully earned by us when it is paid and will be **nonrefundable**, in whole or in part.

Section 8.2 (A) (Royalty) shall be replaced by the following:

(A) Each month during the Term, you will pay us a monthly royalty fee equal to the greater of (i) four percent (4%) or (ii) six hundred dollars (\$600) (the “**Minimum Royalty**”) (collectively, the “**Royalty**”).

9. Section 12.5 (Systemwide Marketing Fund Contributions) is clarified by the following.

This renewal period begins after the third year, so all advertising fee amounts shall be based upon the previous year’s sales as depicted in the chart.

10. Section 21.1 (Renewal Terms) shall be replaced by the following:

Except as otherwise provided in this Section, you may renew this Franchise agreement for one (1) additional consecutive five (5) year term (the “**Second Renewal Term**”, and together with the First Renewal Term, the “**Term**”), subject to the satisfaction of the conditions set forth in Section 21.2 for the Second Renewal Term (the “**Renewal Conditions**”). For the avoidance of doubt, the parties acknowledge and agree that you are entitled to one (1) renewal term (subject to the satisfaction of the Renewal Conditions) with the Second Renewal Term commencing upon the expiration of the First Renewal Term, and that number of renewal terms to which you are entitled shall not be modified by the terms of any subsequent franchise agreement which you may execute in connection with a renewal of this Franchise.

11. This Amendment may be executed in counterparts, all of which together will constitute one and the same Amendment.

[Signature page follows]

IN WITNESS WHEREOF, The parties have executed this Amendment on the date first written above.

FRANCHISEE:

FRANCHISOR:

[FRANCHISEE]

**BELLA BRIDESMAIDS FRANCHISE
GROUP, LLC**

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit I - FA

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS**

The parties to the attached Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISOR:

By: _____

Name: _____

Its: _____

FRANCHISEE:

By: _____

Name: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF INDIANA**

The parties to the attached Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. All capitalized terms which are not separately defined shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. To the extent that the Franchise Agreement contains provisions that are inconsistent with the Indiana Deceptive Franchise Act, Indiana Code Section 23-2-2.7, such provisions are amended as follows:

a. Notwithstanding anything in the Franchise Agreement to the contrary, we may not operate a business substantially identical to your Bella Bridesmaids Franchised Location within your Franchise territory, regardless of the trade name used by such business. Refer to Indiana Code Section 23-2-2.7-1(2).

b. You will not be required to spend a total of more than one percent (1.0%) of your annual Gross Revenue for your own local advertising and cooperative advertising expenditures combined, and you will not be required to spend more than one percent (1.0%) of your Gross Revenues on national or regional advertising programs should such programs be established. Alternatively, you may comply with Indiana Code Section 23-2-2.7-1(11) by spending up to one percent (1.0%) of your monthly Gross Revenue on advertising each month and providing an accounting to us of such expenditures on a monthly basis.

c. Notwithstanding anything in the Franchise Agreement to the contrary, your surviving spouse, domestic partner, heirs, or your estate shall have the opportunity to participate in the ownership of the Franchised Location under this franchise agreement (if then currently in effect) for a reasonable time after your death, provided that such surviving spouse, domestic partner, heirs, or estate maintains all standards and obligations of the Franchise Agreement for the Franchised Location. Refer to Indiana Code Section 23-2.2.7-2(3).

Exhibit J - FA

EXHIBIT J
(to Franchise Agreement)

INDIANA CONTINUED

d. You are not required to prospectively release any claims against Bella Bridesmaids arising under Indiana franchise law subject to the limitations provided for in Indiana Code Section 23-2-2.7-1(5). Any release of claims or damages shall be subject to the limitations provided for in Indiana Code Section 23-2-2.7-1(10).

e. Any post-termination covenant shall be subject to the limitations provided for in Indiana Code Section 23-2-2.7-1(9).

f. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of Indiana, or requires other limitations on litigation for breach of the Franchise Agreement, such requirements may be an unenforceable limitation on litigation under Indiana Code Section 23-2.2.7-1(10).

g. If the Franchise Agreement is governed by the laws of a state other than the State of Indiana, to the extent that those laws conflict with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, such Indiana Acts will control.

5. The undersigned does hereby acknowledge receipt of this Addendum.

6. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in written agreement signed by both parties.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Exhibit J - FA

EXHIBIT J
(to Franchise Agreement)

**MARYLAND AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the "Act") and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. The following language is added to the end of Section 8.1 (A) of the Franchise Agreement:

"Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

2. The following language is added to the end of Section 18 (I) of the Franchise Agreement:

", except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

4. The following language is added to the end of Section 25.7 of the Franchise Agreement:

"Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law."

5. The following language is added to the end of Section 10.3 of the Franchise Agreement:

"all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise."

6. The following language is added to Sections 14.4 and 29.5 of the Franchise Agreement:

“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 and Disclosure Law.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____

Name: _____

By: _____

Title: _____

Name: _____

Title: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA**

The parties to the attached Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring that you consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. With respect to franchises governed by Minnesota law, we may seek injunctive relief, but we may not require you to waive any rights provided under Minn. Rule 2860.4400J. Furthermore, the determination as to whether or not a bond will be required of us in seeking injunctive relief will be left to the determination of the court hearing the petition for relief.

6. Protection of Franchisee's Rights: Notwithstanding any other provision of the Franchise Agreement to the contrary, we will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify you from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minn. Stat. section 80C.12, subd. 1(g).

7. Termination and Non-Renewal in Minnesota: Minnesota law provides franchisees with certain termination and nonrenewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4, and 5 require, except in certain specified cases, that a franchisee be given ninety (90) days' notice of termination (with 60 days to cure) and one hundred eighty (f) days' notice of nonrenewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

8. Minn. Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

EXHIBIT J
(to Franchise Agreement)

MINNESOTA CONTINUED

9. The Limitation of Claims section of the Franchise Agreement must comply with Minnesota Statutes, Section 80C.17, subd 5.

10. The undersigned does hereby acknowledge receipt of this Addendum.

11. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in written agreement signed by both parties.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MISSOURI**

In recognition of the requirements of the Missouri Franchise Law, Missouri Revised Statutes Sections 407.400 to 407.420, the parties to the attached Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. To the extent that any provision of the Franchise Agreement conflicts with any requirement of the Missouri Franchise Law, Missouri Revised Statutes Sections 407.400 to 407.420 (which, among other things, grants the right, in most circumstances, to ninety (90) days prior written notice of termination), that is applicable to this Franchise Agreement, then such provision shall be superseded by that law's requirements and shall have no force or effect.

5. The undersigned does hereby acknowledge receipt of this Addendum.

6. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in written agreement signed by both parties.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK**

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Franchisor and Franchisee are parties to that certain _____ Franchise Agreement dated _____, 20____ that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the license occurred in New York.

2. The following is added as a new section to Section 22.3 of the Franchise Agreement:

"Franchisee may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 29.4 of the Franchise Agreement:

"This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

By: _____

Name: _____

Its: _____

FRANCHISEE:

By: _____

Name: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NORTH DAKOTA**

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The Bella Bridesmaids Franchise Agreement between ("Franchisee" or "You") and Bella Bridesmaids Franchise Group, LLC ("Franchisor") dated as of _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

- d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.
- g. If the Agreement requires consent to a waiver of trial by jury, such provision may be unenforceable under the North Dakota Franchise Investment Law.
- h. If the Agreement requires consent to a waiver of exemplary and punitive damages, such provision may be unenforceable under the North Dakota Franchise Investment Law.
- i. If the Agreement requires consent to a limitation of claims within one year, such provision may be unenforceable under the North Dakota Franchise Investment Law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its Owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20____.

Franchisor:

By: _____

Its: _____

Franchisee:

By: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF OHIO**

In recognition of the requirements of Section 1334.01 et. Seq. of the Ohio Business Opportunity Plan Law, the parties to the attached Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.
2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.
3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.
4. To the extent that any provision of the Franchise Agreement conflicts with any requirement of Section 1334.15 of the Ohio Business Opportunity Plan Law, (which, among other things, declares void any provision in an agreement restricting venue to a forum outside of Ohio and declares void any provision in an agreement requiring the application of laws of state other than Ohio), that is applicable to this Franchise Agreement, then such provision shall be superseded by that law's requirements and shall have no force or effect.
5. OHIO BUSINESS OPPORTUNITY PLAN LAW SECTION 1334.05 REQUIRES US TO GIVE YOU NOTICE OF YOUR RIGHT TO CANCEL THE FRANCHISE AGREEMENT AT ANY TIME BEFORE MIDNIGHT ON THE FIFTH (5TH) BUSINESS DAY AFTER THE DAY ON WHICH YOU SIGN THE FRANCHISE AGREEMENT.
6. The undersigned does hereby acknowledge receipt of this Addendum.
7. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in written agreement signed by both parties.

EXHIBIT J
(to Franchise Agreement)

OHIO CONTINUED

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON**

The parties to the attached Franchise Agreement (the “Franchise Agreement”) hereby agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.
2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.
3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.
4. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
5. Notwithstanding any provision of the Franchise Agreement, transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.
6. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your license.
7. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
8. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

EXHIBIT J
(to Franchise Agreement)

WASHINGTON CONTINUED

9. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

10. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

11. You acknowledge that we or our agent have provided you with a franchise disclosure document not later than the earlier of the first personal meeting held to discuss the sale of a franchise, fourteen (14) business days before the execution of the Franchise Agreement, or fourteen (14) business days before any payment of any consideration. You further acknowledge that you have read such franchise disclosure document and understand its contents.

Franchisee's Initials: _____

12. The undersigned does hereby acknowledge receipt of this Addendum.

13. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in written agreement signed by both parties.

EXHIBIT J
(to Franchise Agreement)

WASHINGTON CONTINUED

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT J
(to Franchise Agreement)

**ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WISCONSIN**

In recognition of the requirements of the Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135, the parties to the attached Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.

2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.

4. To the extent that any provision of the Franchise Agreement conflicts with any requirement of the Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (which, among other things, grants the right, in most circumstances, to ninety (90) days prior written notice of nonrenewal and sixty (60) days within which to remedy any claimed deficiencies), that is applicable to this Franchise Agreement, then such provision shall be superseded by that law's requirements and shall have no force or effect.

5. To the extent that any provision of the Franchise Agreement conflicts with any requirement of the Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (which, among other things, grants the right, in most circumstances, to ninety (90) days prior written notice of termination and sixty (60) days within which to remedy any claimed deficiencies), that is applicable to this Franchise Agreement, then such provision shall be superseded by that law's requirements and shall have no force or effect.

6. To the extent that any provision of the Franchise Agreement regarding the repurchase of inventory conflicts with any requirement of the Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter 135 (which, among other things, that under certain circumstances, a franchisor must repurchase certain branded inventory at "fair wholesale value"), that is applicable to this Franchise Agreement, then such provision shall be superseded by that law's requirements and shall have no force or effect.

7. The undersigned does hereby acknowledge receipt of this Addendum.

8. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject

matter hereof and may not be further modified or amended except in written agreement signed by both parties.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date of the attached Franchise Agreement.

FRANCHISOR:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT K
(to Franchise Agreement)
SPECIAL STIPULATIONS

FRANCHISE AGREEMENT dated _____ between BELLA BRIDESMAIDS
FRANCHISE GROUP, LLC (“we” or “us”) and franchisee:
_____ (“you”).

To the extent of any conflict between the following and the printed provisions of the Franchise Agreement, the Special Stipulations will control:

[NONE]

WE:

By: _____

Name: _____

Its: _____

YOU:

By: _____

Name: _____

Its: _____

EXHIBIT M
(to Franchise Agreement)

RECEIPT FOR FRANCHISE AGREEMENT

Under federal law, we may not grant you a franchise unless you have had a signature-ready copy of the Franchise Disclosure Document and all attachments, with all blanks filled in except for the date of the Franchise Agreement, for at least fourteen (14) days before you pay us any money in connection with the Franchise Agreement or sign the agreement.

To show that we have complied with the law, please fill in the date when you received the Franchise Agreement from us:

Date you received Franchise Agreement: _____

Please return this Receipt to us as soon as you have filled in the date. We can proceed further only after you return this Receipt.

Thank you for your careful attention to this matter.

Signature: _____

Print Name: _____

PLEASE RETURN THIS COPY TO US.

EXHIBIT M
(to Franchise Agreement)

RECEIPT FOR FRANCHISE AGREEMENT (YOUR COPY)

Under federal law, we may not grant you a franchise unless you have had a signature-ready copy of the Franchise Disclosure Document and all attachments, with all blanks filled in except for the date of the Franchise Agreement, for at least fourteen (14) days before you pay us any money in connection with the Franchise Agreement or sign the agreement.

To show that we have complied with the law, please fill in the date when you received the Franchise Agreement from us:

Date you received Franchise Agreement: _____

Please return this Receipt to us as soon as you have filled in the date. We can proceed further only after you return this Receipt.

Thank you for your careful attention to this matter.

Signature: _____

Print Name: _____

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

Exhibit M - FA

EXHIBIT D
FINANCIAL STATEMENTS

Audited Financial Statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC

December 31, 2023

BELLA BRIDESMAIDS FRANCHISE GROUP LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members
of Bella Bridesmaid Franchise Group LLC

Opinion

We have audited the accompanying financial statements of Bella Bridesmaid Franchise Group LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income (loss), members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bella Bridesmaid Franchise Group LLC, 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. 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 Bella Bridesmaid Franchise Group LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Bella Bridesmaid Franchise Group LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Bella Bridesmaid Franchise Group LLC'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 Bella Bridesmaid Franchise Group LLC's ability to continue as a going concern for a reasonable period of time.

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

Callero & Callero LLP

Callero and Callero LLP
Des Plaines, Illinois
April 25, 2024



BELLA BRIDESMAIDS FRANCHISE GROUP LLC
BALANCE SHEETS
December 31,

<u>ASSETS</u>	2023	2022
<u>Current Assets</u>		
Cash	\$ 48,908	\$ 73,369
Other Receivables	12	15,610
TOTAL CURRENT ASSETS	48,920	88,979
<u>Fixed Assets</u>		
Website	1,101,002	857,851
Office Equipment and Software	230,465	230,633
	1,331,467	1,088,484
Accumulated Depreciation	(803,233)	(630,687)
	528,234	457,797
<u>Other Assets</u>		
Intangible Assets Net of Amortization of \$402,581 and \$367,924	122,299	156,956
Goodwill Net of Amortization of \$697,624 and \$620,110	465,082	542,596
Notes Receivable	55,029	49,067
Due from Related Parties	0	0
Deposits	39,000	9,000
	681,410	757,619
TOTAL ASSETS	\$ 1,258,564	\$ 1,304,395
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
<u>Current Liabilities</u>		
Current Maturities of Long-Term Debt	\$ 17,190	\$ 89,218
Line of Credit	100,000	0
Accounts Payable	5,076	74,238
Accrued Expenses	44,560	13,410
Deferred Revenue	102,244	0
Due to Related Parties	210,911	61,412
Credit Card Payable	110,378	79,205
TOTAL CURRENT LIABILITIES	590,359	317,483
<u>Long-Term Liabilities</u>		
Franchise Deposits	17,602	27,602
Long Term Debt	147,396	160,748
	164,998	188,350
<u>Members' Equity</u>		
Members' Equity	503,207	798,562
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 1,258,564	\$ 1,304,395

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
STATEMENTS OF INCOME (LOSS) AND MEMBERS' EQUITY
For the Years Ended December 31,

<u>Income</u>	2023	2022
Advertising Income	\$ 85,507	\$ 92,545
Franchise Fee	13,984	26,000
Royalty Income	741,295	908,893
Renewal Fees	1,772	36,000
Technology Fee	130,290	34,090
	972,848	1,097,528
<u>Operating Expenses</u>		
Advertising	295,219	148,536
Amortization	112,340	112,171
Automobile	2,010	2,442
Bank Charges	5,410	1,967
Conference	28,277	169
Depreciation	172,545	91,341
Dues and Franchise Fees	0	1,162
Franchisee Expenses	4,337	0
Gifts	4,701	8,975
Insurance	0	25,461
Office Expenses	11,379	4,108
Payroll Expenses	355,724	317,564
Professional Services	78,279	230,356
Rent and Lease Expense	19,030	18,299
Technology Expenses	107,300	81,720
Telephone Expense	2,829	3,373
Travel	71,639	39,164
Training Cost	294	747
	1,271,313	1,087,555
INCOME (LOSS) FROM OPERATIONS	(298,465)	9,973
<u>Other Income (Expense)</u>		
Interest Income	3,429	129
Interest Expense	(25,598)	(8,218)
SBA PPP Loan Forgiveness	0	43,700
Miscellaneous Income (Expense)	25,279	1,863
	3,110	37,474
NET INCOME (LOSS)	(295,355)	47,447
<u>Members' Equity</u>		
Beginning of Year	798,562	781,115
Members' Distributions	0	(30,000)
	798,562	751,115
End of Year	\$ 503,207	\$ 798,562

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

<u>Cash Flows From Operating Activities</u>	<u>2023</u>	<u>2022</u>
Net Income (Loss)	\$ (295,355)	\$ 47,447
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	284,717	203,512
Gain on SBA Paycheck Protection Program Loan Forgiveness	0	(43,700)
(Increase) Decrease in Assets:		
Note Receivable	(5,962)	(49,067)
Due from Related Parties	0	0
Deposits	(30,000)	(7,000)
Other	15,598	31,066
Increase (Decrease) in Liabilities:		
Accounts Payable	(69,163)	60,592
Accrued Expenses	31,150	5,474
Due To Related Parties	149,500	0
Credit Card Payable	31,173	22,353
Deferred Revenue	102,244	0
Franchise Deposits	(10,000)	(26,398)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>203,902</u>	 <u>244,279</u>
 <u>Cash Flows From Investing Activities</u>		
Capital Expenditures	<u>(242,983)</u>	<u>(245,433)</u>
 NET CASH USED IN INVESTING ACTIVITIES	 <u>(242,983)</u>	 <u>(245,433)</u>
 <u>Cash Flows From Financing Activities</u>		
Borrowings on Line of Credit	160,000	0
Payments on Line of Credit	(60,000)	0
Payments on Notes Payable	(85,380)	(84,739)
Members' Distributions	0	(30,000)
 NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	 <u>14,620</u>	 <u>(114,739)</u>
 DECREASE IN CASH AND CASH EQUIVALENTS	 (24,461)	 (115,893)
 <u>Cash and Cash Equivalents</u>		
Beginning of Year	<u>73,369</u>	<u>189,262</u>
 End of Year	 <u>\$ 48,908</u>	 <u>\$ 73,369</u>
 <u>Supplemental Cash Flow Information</u>		
Interest Paid	<u>\$ 15,506</u>	<u>\$ 8,218</u>

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

(1) Business Activity

Bella Bridesmaids Franchise Group, LLC (the Company), an Illinois Limited Liability Corporation formed on June 25, 2012, sells franchises for the establishment and operation of bridal boutiques that offer at retail a selection of stylish bridesmaid dresses, wedding apparel, accessories, and related products. The franchise bridal boutiques are located throughout the United States.

(2) Summary of Significant Accounting Policies

Cash and Cash Equivalents: For financial statement purposes, the Company considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable: Accounts receivable include franchise fees receivable, royalties receivable and advertising fees receivable and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance for credit losses based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to accounts receivable. The Company's management determined that no allowance for credit losses was required at December 31, 2023 and 2022. The accounts receivable balance was \$0 at January 1, 2022.

Goodwill: Beginning in 2015, the Company adopted ASU No. 2014-02 which establishes an accounting alternative under which private companies are allowed to amortize goodwill on a straight-line basis over the useful life of the primary asset acquired in a business combination not to exceed ten years, and to test goodwill for impairment only when a triggering event occurs indicating that the fair value may be below its carrying amount. Amortization expense related to goodwill was \$77,514 for each of the years ended December 31, 2023 and 2022.

Intangible Assets: The Company capitalized certain expenses associated with website development and image branding. These intangible assets are being amortized over the estimated period of benefit (15 years). The Company has evaluated the recoverability of intangible assets periodically taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired. Amortization expense related to intangibles was \$34,657 for each of the years ended December 31, 2023 and 2022.

Fixed Assets and Depreciation: All fixed assets are recorded at cost. Depreciation is computed using the straight-line, and other accelerated methods over the useful lives of the respective assets. The estimated useful lives, by asset class, are as follows:

Website – 3 years
Software – 5 years
Furniture and Fixtures – 7 years

Depreciation expense for the years ended December 31, 2023 and 2022 was \$172,546 and \$91,341.

Income Taxes: As a limited liability company, the Company is treated as a partnership under Subchapter K of the Internal Revenue Code for income tax purposes. Profits and losses flow through to the individual members. No federal income taxes are provided for by the Company. The Company is subject to Illinois replacement tax, which is charged to operations when required.

The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

(2) Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk: The Company maintains cash balances at a financial institution located in Illinois. Accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Company had no uninsured cash at December 31, 2023 and 2022.

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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. Future results may differ from those estimates.

Advertising: The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2023 and 2022 were \$295,219 and \$148,536.

Revenue: The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreement requires the franchisee to pay an initial, non-refundable fee of \$50,000. The initial non-refundable fee grants the franchisees the right to operate a franchise location in a new territory for five years. Revenue is recognized over the five-year term. For the transfer or sale of an existing store to new owners, the fee is \$10,000. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. The renewal of a franchise agreement is \$6,000 every five years and is recognized over the five-year term each year.

Each month during the term the franchisee pays a royalty fee of 4% or a \$600 minimum royalty fee monthly. The royalty is collected in the following month of the sales and the revenue is recognized monthly. The Company also collects and recognizes an advertising fee monthly based on previous years sales and a technology fee is collected and recognized on a monthly basis as performance obligations are met to provide those services.

Direct costs of sales and servicing of franchise agreements are charged to general and administrative expenses as incurred.

Deferred Revenue: Deferred revenues are recorded when payments are received or due in advance of services performed and are classified as current as they are recognized within one year. Deferred revenue balance was \$0 as of January 1, 2022.

Adoption of Recent Accounting Pronouncements:

FASB ASU 2016-02 – Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" (ASU 2016-02"). The amendments in ASU 2016-02 require lessees to recognize all leases on the balance sheet by recording a right-of-use asset and a lease liability. ASU 2016-02 is effective for the Company beginning January 1, 2022. The FASB has also issued additional standards which provide additional clarification and implementation guidance on the previously issued ASU 2016-02 and have the same effective date as the original standard.

The Company adopted the standard effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, if necessary, with certain practical expedients available. On January 1, 2022, adoption of the lease standard did not have a material impact on the financial statements.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

(2) Summary of Significant Accounting Policies (continued)

FASB ASU 2016-13 – Current Expected Credit Loss Model (Topic 326)

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were accounts receivable. The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

(3) Related Party Transactions

During 2023 and 2022, the Company transacted business activities with related companies. Included on the accompanying balance sheets and statements of income (loss) are the following balances and transactions with the related companies through common ownership:

	<u>2023</u>	<u>2022</u>
Net Sales	\$ 45,619	\$ 56,419
Rent Expense	19,000	18,000
Receivables and Payables:		
Due from Related Parties	32,000	0
Due to Related Parties	210,911	61,412

(4) Paycheck Protection Program Loan

On February 1, 2021, the Company received a second loan in the amount of \$43,700 under the Small Business Administration (SBA) Payroll Protection Program (PPP Loan).

On March 3, 2022, the loan, and any related unpaid interest was forgiven by the SBA. As a result, the Company recorded a gain on the forgiveness of loans to other income on the statements of income and members' equity in the amount of \$43,700 for the year ended December 31, 2022.

(5) Line of Credit

On November 9, 2022 the Company renewed its line of credit for \$150,000 for a period of one year. As of December 31, 2022, there were no borrowings on the line of credit. The line is secured by the assets of the Company. The Company met all financial covenants related to the line of credit for the year ended December 31, 2022. The interest rate was 4.30% at December 31, 2022.

On November 9, 2023 the second extension was executed for \$150,000 for a period of one year. The interest rate was subject to change based on prime rate, with a floor of 3.5 %. The outstanding balance was \$100,000 as of December 31, 2023. The interest rate was 5.38% at December 31, 2023. The line is secured by the assets of the Company. The Company didn't meet certain covenants related to the line of credit for the year ended December 31, 2023. However, the lender waived the covenants for the year ended December 31, 2023.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

(6) Long-Term Debt

	<u>2023</u>	<u>2022</u>
Note Payable, dated November 31, 2018 in the amount of \$395,000. Payable in 60 monthly payments of \$7,564 including interest at 5.5%. Secured by all assets of the Company and guarantees of all members and a related party.	\$ 14,586	\$ 102,259
SBA EIDL Loan, dated May 21, 2020, payable in 372 monthly payments of \$731 including interest at 3.75% until April 21, 2051. Secured by all assets of the Company.	<u>150,000</u>	<u>147,707</u>
TOTAL	164,586	249,966
LESS: CURRENT MATURITIES	<u>17,190</u>	<u>89,218</u>
LONG-TERM DEBT	<u>\$ 147,396</u>	<u>\$ 160,748</u>

Annual maturities of long-term debt for the years ending December 31 are as follows:

2024	\$ 17,190
2025	2,944
2026	3,056
2027	3,173
2028	3,294
Thereafter	<u>134,929</u>
	<u>\$ 164,586</u>

(7) Retirement Plan

The Company adopted a 401(k) plan for its employees, which allows them to make contributions to the plan by reducing their salaries. The Company may make a discretionary contribution in addition to an elective matching contribution. The Company elected to match participant's contribution up to 4% of annual compensation for any employee that contributes 5%. Matching contributions totaled \$8,078 and \$7,271 for the years ended December 31, 2023 and 2022.

(8) Operating Leases

The Company leases office space from a related party. This lease is cancelable at any time by either party.

(9) Notes Receivable

Notes receivable at December 31, 2023 and 2022 of \$55,029 and \$49,067 respectively, consist of notes receivable from third party franchisees bearing interest at 5.00%.

(10) Subsequent Events

The Company has evaluated subsequent events through April 25, 2024, the date which the financial statements were available to be issued.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC

December 31, 2022

BELLA BRIDESMAIDS FRANCHISE GROUP LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members
of Bella Bridesmaid Franchise Group LLC

Opinion

We have audited the accompanying financial statements of Bella Bridesmaid Franchise Group LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bella Bridesmaid Franchise Group LLC as of December 31, 2022 and 2021, 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. 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 Bella Bridesmaid Franchise Group LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Bella Bridesmaid Franchise Group LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Bella Bridesmaid Franchise Group LLC'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 Bella Bridesmaid Franchise Group LLC's ability to continue as a going concern for a reasonable period of time.

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

Callero & Callero, LLP

Des Plaines, Illinois
March 25, 2023

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
BALANCE SHEETS
December 31,

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash in Bank	\$ 73,369	\$ 189,262
Other Receivables	15,610	46,676
TOTAL CURRENT ASSETS	<u>88,979</u>	<u>235,938</u>
<u>Fixed Assets</u>		
Web Site	857,851	612,587
Office Equipment and Software	230,633	230,464
	<u>1,088,484</u>	<u>843,051</u>
Accumulated Depreciation	(630,687)	(539,347)
	<u>457,797</u>	<u>303,704</u>
<u>Other Assets</u>		
Intangible Assets Net of Amortization of \$367,924 and \$333,266	156,956	191,614
Goodwill Net of Amortization of \$620,110 and \$542,596	542,596	620,110
Notes Receivable	49,067	0
Deposits	9,000	2,000
	<u>757,619</u>	<u>813,724</u>
TOTAL ASSETS	<u>\$ 1,304,395</u>	<u>\$ 1,353,366</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
<u>Current Liabilities</u>		
Current Maturities of Long-Term Debt	\$ 89,218	\$ 84,553
SBA Paycheck Protection Program Loan	0	43,700
Accounts Payable	74,238	13,646
Accrued Payroll	13,410	8,154
Other Liabilities	61,412	61,194
Credit Card Payable	79,205	56,852
TOTAL CURRENT LIABILITIES	<u>317,483</u>	<u>268,099</u>
<u>Long-Term Liabilities</u>		
Franchise Deposits	27,602	54,000
Long Term Debt	160,748	250,152
	<u>188,350</u>	<u>304,152</u>
<u>Members' Equity</u>		
Members' Equity	<u>798,562</u>	<u>781,115</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 1,304,395</u>	<u>\$ 1,353,366</u>

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
STATEMENTS OF INCOME AND MEMBERS' EQUITY
For the Years Ended December 31,

<u>Income</u>	2022	2021
Advertising Income	\$ 92,545	\$ 79,408
Franchise Fee	26,000	10,000
Royalty Income	908,893	841,025
Renewal Fees	36,000	12,000
Technology Fee	34,090	33,980
	1,097,528	976,413
<u>Operating Expenses</u>		
Advertising	148,536	128,581
Amortization	112,171	112,171
Automobile	2,442	2,016
Bank Charges	1,967	2,458
Computer Expenses	0	0
Conference	169	24,117
Depreciation	91,341	50,466
Dues and Franchise Fees	1,162	2,428
Franchisee Expenses	0	8,740
Gifts	8,975	10,515
Insurance	25,461	37,846
Office Expenses	4,108	3,023
Payroll Expenses	317,564	265,331
Postage	0	950
Professional Services	230,356	157,617
Rent and Lease Expense	18,299	31,197
Technology Expenses	81,720	63,434
Telephone Expense	3,373	7,895
Travel	39,164	24,384
Training Cost	747	887
Utilities	0	319
	1,087,555	934,375
INCOME FROM OPERATIONS	9,973	42,038
<u>Other Income (Expense)</u>		
Interest Income	129	26
Interest Expense	(8,218)	(15,147)
SBA PPP Loan Forgiveness	43,700	43,700
Miscellaneous Income (Expense)	1,863	(62,303)
	37,474	(33,724)
NET INCOME	47,447	8,314
<u>Members' Equity</u>		
Beginning of Year	781,115	842,801
Members' Distributions	(30,000)	(70,000)
	751,115	772,801
End of Year	\$ 798,562	\$ 781,115

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

<u>Cash Flows From Operating Activities</u>	<u>2022</u>	<u>2021</u>
Net Income	\$ 47,447	\$ 8,314
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	203,512	162,637
Gain on SBA Paycheck Protection Program Loan Forgiveness	(43,700)	(43,700)
(Increase) Decrease in Assets:		
Accounts Receivable	0	40,271
Vendor Receivables	0	67,420
Other	31,066	11,115
Note Receivable	(49,067)	0
Deposits	(7,000)	2,650
Increase (Decrease) in Liabilities:		
Accounts Payable	60,592	(40,037)
Accrued Expenses	218	61,194
Accrued Payroll	5,256	537
Credit Card Payable	22,353	28,727
Franchise Deposits	(26,398)	(20,000)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>244,279</u>	 <u>279,128</u>
 <u>Cash Flows From Investing Activities</u>		
Capital Expenditures	<u>(245,433)</u>	<u>(38,510)</u>
 NET CASH USED IN INVESTING ACTIVITIES	 <u>(245,433)</u>	 <u>(38,510)</u>
 <u>Cash Flows From Financing Activities</u>		
Payments on Line of Credit	0	(149,553)
Proceeds from SBA Paycheck Protection Program Loan	0	43,700
Payments on Notes Payable	(84,739)	(128,083)
Members' Distributions	(30,000)	(70,000)
 NET CASH USED IN FINANCING ACTIVITIES	 <u>(114,739)</u>	 <u>(303,936)</u>
 DECREASE IN CASH AND CASH EQUIVALENTS	 (115,893)	 (63,318)
 <u>Cash and Cash Equivalents</u>		
Beginning of Year	<u>189,262</u>	<u>252,580</u>
 End of Year	 <u>\$ 73,369</u>	 <u>\$ 189,262</u>

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(continued)

(1) **Business Activity**

Bella Bridesmaids Franchise Group, LLC (the Company), an Illinois Limited Liability Corporation formed on June 25, 2012, sells franchises for the establishment and operation of bridal boutiques that offer at retail a selection of stylish bridesmaid dresses, wedding apparel, accessories, and related products. The franchise bridal boutiques are located throughout the United States.

(2) **Summary of Significant Accounting Policies**

Cash and Cash Equivalents: For financial statement purposes, the Company considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable: Accounts receivable include franchise fees receivable, royalties receivable and advertising fees receivable and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company's management determined that no allowance for doubtful accounts was required at December 31, 2022 and 2021.

Goodwill: Beginning in 2015, the Company adopted ASU No. 2014-02 which establishes an accounting alternative under which private companies are allowed to amortize goodwill on a straight-line basis over the useful life of the primary asset acquired in a business combination not to exceed ten years, and to test goodwill for impairment only when a triggering event occurs indicating that the fair value may be below its carrying amount. Amortization expense related to goodwill was \$77,514 for each of the years ended December 31, 2022 and 2021.

Intangible Assets: The Company capitalized certain expenses associated with website development and image branding. These intangible assets are being amortized over the estimated period of benefit (15 years). The Company has evaluated the recoverability of intangible assets periodically taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired. Amortization expense related to intangibles was \$34,657 for each of the years ended December 31, 2022 and 2021.

Fixed Assets and Depreciation: All fixed assets are recorded at cost. Depreciation is computed using the straight-line, and other accelerated methods over the useful lives of the respective assets. The estimated useful lives, by asset class, are as follows:

Website – 3 years
Software – 5 years
Furniture and Fixtures – 7 years

Depreciation expense for the years ended December 31, 2022 and 2021 was \$91,341 and \$50,466.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(continued)

(2) **Summary of Significant Accounting Policies (continued)**

Income Taxes: As a limited liability company, the Company is treated as a partnership under Subchapter K of the Internal Revenue Code for income tax purposes. Profits and losses flow through to the individual members. No federal income taxes are provided for by the Company. The Company is subject to Illinois replacement tax, which is charged to operations when required.

The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Concentration of Credit Risk: The Company maintains cash balances at a financial institution located in Illinois. Accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Company had no uninsured cash at December 31, 2022 and 2021.

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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. Future results may differ from those estimates.

Advertising: The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2022 and 2021 were \$148,536 and \$128,581.

Adoption of Recent Accounting Pronouncements: On January 28, 2021, the FASB issued Accounting Standards Update (*ASU*) 2021-02, Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. The amendments in ASU 2021-02 provide a practical expedient related to FASB Accounting Standards Codification (FASB ASC) 606, Revenue from Contracts with Customers, that permits franchisors that are not public business entities (PBEs) to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Additionally, amendments in ASU 2021-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation. The Company has elected ASU 2021-02.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (ASU 2016-02”). The amendments in ASU 2016-02 require lessees to recognize all leases on the balance sheet by recording a right-of-use asset and a lease liability. ASU 2016-02 is effective for the Company beginning January 1, 2022. The FASB has also issued additional standards which provide additional clarification and implementation guidance on the previously issued ASU 2016-02 and have the same effective date as the original standard.

The Company adopted the standard effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, if necessary, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021, are made under prior lease guidance in FASB ASC 840. On January 1, 2022, adoption of the lease standard did not have a material impact on the financial statements.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(continued)

(2) **Summary of Significant Accounting Policies (continued)**

Revenue: The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreement requires the franchisee to pay an initial, non-refundable fee of \$50,000. The initial non-refundable fee grants the franchisees the right to operate a franchise location in a new territory for one year. Revenue is recognized over the one-year term. For the transfer or sale of an existing store to new owners, the fee is \$10,000. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. The renewal of a franchise agreement is \$6,000 each year and is recognized over the one-year term each year.

Each month during the term the franchisee pays a royalty fee of 4% or a \$600 minimum royalty fee monthly. The royalty is collected in the following month of the sales and the revenue is recognized monthly. The Company also collects and recognizes an advertising fee monthly based on previous years sales and a technology fee is collected and recognized on a monthly basis as performance obligations are met to provide those services.

Direct costs of sales and servicing of franchise agreements are charged to general and administrative expenses as incurred.

(3) **Paycheck Protection Program Loan**

On April 16, 2020, the Company received a loan in the amount of \$43,700 under the Small Business Administration (SBA) Paycheck Protection Program (PPP Loan).

On August 4, 2021, the loan, and any related unpaid interest was forgiven by the SBA. As a result, the Company recorded a gain on the forgiveness of loans to Other Income on the Statements of Income and Members' Equity in the amount of \$43,700 for the year ended December 31, 2021.

On February 1, 2021, the Company received a second loan in the amount of \$43,700 under the Small Business Administration (SBA) Payroll Protection Program (PPP Loan).

On March 3, 2022, the loan, and any related unpaid interest was forgiven by the SBA. As a result, the Company recorded a gain on the forgiveness of loans to Other Income on the Statements of Income and Members' Equity in the amount of \$43,700 for the year ended December 31, 2022.

(4) **Line of Credit**

The Company renewed the line of credit on November 9, 2022 for \$150,000 for a period of one year. As of December 31, 2022, there were no borrowings on the line of credit. The line is secured by the assets of the Company. The Company met all financial covenants related to the line of credit for the year ended December 31, 2022.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021
(continued)

(5) Long-Term Debt

	<u>2022</u>	<u>2021</u>
Note Payable Bank, dated November 31, 2018 in the amount of \$395,000. Payable in 60 monthly payments of \$7,564 including interest at 5.5%. Secured by all assets of the Company and guarantees of all members and a related party.	\$ 102,259	\$ 184,805
SBA EIDL Loan, dated May 21, 2020, payable in 372 monthly payments of \$731 including interest at 3.75% until April 21, 2051. Secured by all assets of the Company.	<u>147,707</u>	<u>149,900</u>
TOTAL	249,966	334,705
LESS: CURRENT MATURITIES	<u>89,218</u>	<u>84,553</u>
LONG-TERM DEBT	<u>\$ 160,748</u>	<u>\$ 250,152</u>

Annual maturities of long-term debt for the years ending December 31 are as follows:

2023	\$ 89,218
2024	18,166
2025	3,397
2026	3,527
2027	3,661
Thereafter	<u>131,997</u>
	<u>\$ 249,966</u>

(6) Retirement Plan

The Company adopted a 401(k) plan for its employees, which allows them to make contributions to the plan by reducing their salaries. The Company may make a discretionary contribution in addition to an elective matching contribution. The Company elected to match participant's contributions up to 4% of annual compensation for any employee that contributes 5%. Matching contributions totaled \$7,271 and \$6,418 for the years ended December 31, 2022 and 2021.

(7) Operating Leases

The Company leased office space under an operating lease that expired August 31, 2021, at \$2,950 per month. There was an option to renew the lease and the Company did not exercise that option. The Company leases office space from a related party. This lease is cancelable at any time by either party.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

(8) **Notes Receivable**

Notes receivable at December 31, 2022 and 2021 of \$49,067 and \$0, respectively, consist of a note receivable from a third party franchisee bearing interest at 5.00%.

(8) **Subsequent Events**

The Company has evaluated subsequent events through March 25, 2023, the date which the financial statements were available to be issued.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC

December 31, 2021

BELLA BRIDESMAIDS FRANCHISE GROUP LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members
of Bella Bridesmaid Franchise Group LLC

Opinion

We have audited the accompanying financial statements of Bella Bridesmaid Franchise Group LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bella Bridesmaid Franchise Group LLC as of December 31, 2021 and 2020, 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. 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 Bella Bridesmaid Franchise Group LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Bella Bridesmaid Franchise Group LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Bella Bridesmaid Franchise Group LLC'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 Bella Bridesmaid Franchise Group LLC's ability to continue as a going concern for a reasonable period of time.

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

Callero & Callero, LLP

Niles, Illinois
May 18, 2022

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
BALANCE SHEETS
December 31,

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Cash in Bank	\$ 189,262	\$ 252,580
Accounts Receivable	0	40,270
Vendor Receivables	0	67,420
Other Receivables	46,676	57,791
TOTAL CURRENT ASSETS	<u>235,938</u>	<u>418,061</u>
<u>Fixed Assets</u>		
Web Site	612,587	574,078
Office Equipment and Software	230,465	230,464
	<u>843,052</u>	<u>804,542</u>
Accumulated Depreciation	(539,347)	(488,880)
	<u>303,705</u>	<u>315,662</u>
<u>Other Assets</u>		
Intangible Assets Net of Amortization of \$333,266 and \$298,607	191,614	226,273
Goodwill Net of Amortization of \$542,596 and \$465,082	620,110	697,624
Deposits	2,000	4,650
	<u>813,724</u>	<u>928,547</u>
TOTAL ASSETS	<u>\$ 1,353,367</u>	<u>\$ 1,662,270</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
<u>Current Liabilities</u>		
Current Maturities of Long-Term Debt	\$ 84,553	\$ 80,197
Line of Credit	0	149,556
SBA Paycheck Protection Program Loan	43,700	43,700
Accounts Payable	13,646	53,683
Accrued Payroll	8,155	7,617
Other Liabilities	61,194	0
Credit Card Payable	56,852	28,125
TOTAL CURRENT LIABILITIES	<u>268,100</u>	<u>362,878</u>
<u>Long-Term Liabilities</u>		
Franchise Deposits	54,000	74,000
Long Term Debt	250,152	382,591
	<u>304,152</u>	<u>456,591</u>
<u>Members' Equity</u>		
Members' Equity	<u>781,115</u>	<u>842,801</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 1,353,367</u>	<u>\$ 1,662,270</u>

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
 STATEMENTS OF INCOME AND MEMBERS' EQUITY
 For the Years Ended December 31,

<u>Income</u>	2021	2020
Advertising Income	\$ 79,408	\$ 82,822
Franchise Fee	10,000	40,000
Royalty Income	841,025	730,497
Renewal Fees	12,000	36,000
Technology Fee	33,980	31,385
	976,413	920,704
<u>Operating Expenses</u>		
Advertising	128,581	151,990
Amortization	112,172	112,172
Automobile	2,015	5,085
Bank Charges	2,458	2,746
Computer Expenses	0	43,381
Conference	24,117	0
Depreciation	50,466	47,604
Dues and Franchise Fees	2,428	500
Franchisee Expenses	8,740	6,237
Gifts	10,515	7,900
Insurance	37,846	47,904
Office Expenses	3,023	4,396
Payroll Expenses	265,331	154,390
Postage	950	489
Professional Services	157,617	219,732
Rent	31,197	40,300
Technology Expenses	63,434	0
Telephone Expense	7,895	10,642
Travel	24,384	12,842
Meals & Entertainment	0	1,989
Training Cost	887	1,685
Utilities	319	2,775
	934,375	874,759
INCOME FROM OPERATIONS	42,038	45,945
<u>Other Income (Expense)</u>		
Interest Income	26	49
Interest Expense	(15,147)	(16,541)
SBA PPP Loan Forgiveness	43,700	0
Miscellaneous Expense	(62,303)	(17,171)
	(33,724)	(33,663)
NET INCOME	8,314	12,282
<u>Members' Equity</u>		
Beginning of Year	842,801	998,519
Members' Distributions	(70,000)	(168,000)
	772,801	830,519
End of Year	\$ 781,115	\$ 842,801

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
 STATEMENTS OF CASH FLOWS
 For the Years Ended December 31,

<u>Cash Flows From Operating Activities</u>	<u>2021</u>	<u>2020</u>
Net Income	\$ 8,314	\$ 12,282
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	162,638	159,777
Gain on SBA Paycheck Protection Program Loan Forgiveness	(43,700)	0
(Increase) Decrease in Assets:		
Accounts Receivable	40,270	(3,290)
Vendor Receivables	67,420	(67,420)
Other	11,115	33,374
Deposits	2,650	(2,000)
Increase (Decrease) in Liabilities:		
Accounts Payable	(40,037)	22,601
Accrued Expenses	61,194	0
Accrued Payroll	537	4,359
Credit Card Payable	28,727	(52,890)
Franchise Deposits	(20,000)	(56,000)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>279,128</u>	 <u>50,793</u>
 <u>Cash Flows From Investing Activities</u>		
Capital Expenditures	<u>(38,510)</u>	<u>(1,653)</u>
 NET CASH USED IN INVESTING ACTIVITIES	 <u>(38,510)</u>	 <u>(1,653)</u>
 <u>Cash Flows From Financing Activities</u>		
Borrowings on Line of Credit	0	75,000
Payments on Line of Credit	(149,553)	(444)
Proceeds from SBA Paycheck Protection Program Loan	43,700	43,700
Proceeds from Long-Term Debt	0	199,900
Payments on Notes Payable	(128,083)	(55,761)
Members' Distributions	(70,000)	(168,000)
 NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	 <u>(303,936)</u>	 <u>94,395</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (63,318)	 143,535
 <u>Cash and Cash Equivalents</u>		
Beginning of Year	<u>252,580</u>	<u>109,045</u>
 End of Year	 <u>\$ 189,262</u>	 <u>\$ 252,580</u>

The accompanying notes are an integral part of the financial statements

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020
(continued)

(1) **Business Activity**

Bella Bridesmaids Franchise Group, LLC (the Company), an Illinois Limited Liability Corporation formed on June 25, 2012, sells franchises for the establishment and operation of bridal boutiques that offer at retail a selection of stylish bridesmaid dresses, wedding apparel, accessories, and related products. The franchise bridal boutiques are located throughout the United States.

(2) **Summary of Significant Accounting Policies**

Cash and Cash Equivalents: For financial statement purposes, the Company considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable: Accounts receivable include franchise fees receivable, royalties receivable and advertising fees receivable and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company's management determined that no allowance for doubtful accounts was required at December 31, 2021 and 2020.

Goodwill: Beginning in 2015, the Company adopted ASU No. 2014-02 which establishes an accounting alternative under which private companies are allowed to amortize goodwill on a straight-line basis over the useful life of the primary asset acquired in a business combination not to exceed ten years, and to test goodwill for impairment only when a triggering event occurs indicating that the fair value may be below its carrying amount. Amortization expense related to goodwill was \$77,514 for each of the years ended December 31, 2021 and 2020.

Intangible Assets: The Company capitalized certain expenses associated with website development and image branding. These intangible assets are being amortized over the estimated period of benefit (15 years). The Company has evaluated the recoverability of intangible assets periodically taking into account events or circumstances that may warrant revised estimates of useful lives or that indicate the asset may be impaired. Amortization expense related to intangibles was \$34,658 for each of the years ended December 31, 2021 and 2020.

Fixed Assets and Depreciation: All fixed assets are recorded at cost. Depreciation is computed using the straight-line, and other accelerated methods over the useful lives of the respective assets. The estimated useful lives, by asset class, are as follows:

Software – 5 years
Furniture and Fixtures – 7 years

Depreciation expense for the years ended December 31, 2021 and 2020 was \$50,466 and \$47,604.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020
(continued)

(2) **Summary of Significant Accounting Policies (continued)**

Income Taxes: As a limited liability company, the Company is treated as a partnership under Subchapter K of the Internal Revenue Code for income tax purposes. Profits and losses flow through to the individual members. No federal income taxes are provided for by the Company. The Company is subject to Illinois replacement tax, which is charged to operations when required.

The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Concentration of Credit Risk: The Company maintains cash balances at a financial institution located in Illinois. Accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Company had no uninsured cash at December 31, 2021 and 2020.

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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. Future results may differ from those estimates.

Advertising: The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2021 and 2020 were \$128,581 and \$151,990.

Recent Accounting Pronouncements: On January 28, 2021, the FASB issued Accounting Standards Update (*ASU*) 2021-02, Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient. The amendments in ASU 2021-02 provide a practical expedient related to FASB Accounting Standards Codification (FASB ASC) 606, Revenue from Contracts with Customers, that permits franchisors that are not public business entities (PBEs) to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Additionally, amendments in ASU 2021-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation. The Company has elected ASU 2021-02.

Revenue: The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreement requires the franchisee to pay an initial, non-refundable fee of \$50,000. The initial non-refundable fee grants the franchisees the right to operate a franchise location in a new territory for one year. Revenue is recognized over the one-year term. For the transfer or sale of an existing store to new owners, the fee is \$10,000. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. The renewal of a franchise agreement is \$6,000 each year and is recognized over the one-year term each year. As part of the adoption of ASC 606, the Company did not restate revenue for contracts that began and ended in the same year.

Each month during the term the franchisee pays a royalty fee equal to the greater of (i) three percent of their gross revenue in the first year, 3.5% in the second year and 4% thereafter or \$600 minimum royalty fee monthly. The royalty is collected in the following month of the sales and the revenue is recognized monthly. The Company also collects and recognizes an advertising fee monthly based on previous years sales and a technology fee is collected and recognized on a monthly basis as performance obligations are met to provide those services.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020
(continued)

(2) **Summary of Significant Accounting Policies (continued)**

Direct costs of sales and servicing of franchise agreements are charged to general and administrative expenses as incurred.

(3) **Paycheck Protection Program Loan**

On April 16, 2020, the Company received a loan in the amount of \$43,700 under the Small Business Administration (SBA) Paycheck Protection Program (PPP Loan).

On August 4, 2021, the loan, and any related unpaid interest was forgiven by the SBA. As a result, the Company recorded a gain on the forgiveness of loans to Other Income on the Statements of Income and Members' Equity in the amount of \$43,700.

On February 1, 2021, the Company received a second loan in the amount of \$43,700 under the Small Business Administration (SBA) Payroll Protection Program (PPP Loan). The loan accrues interest at a rate of 1% and has an original maturity date of two years which can be extended to five years by mutual agreement of the Company and the lender. Payments are deferred during the deferral period. The deferral period is the period beginning on the date of this Note, February 1, 2021, and ending 10 months after the last day of the covered period (deferral expiration date). The Company's covered period ended on December 1, 2021. Any amounts not forgiven under the PPP Loan will be payable in equal installments of principal plus any interest owed on the payment date from the deferral expiration date through the maturity date. Additionally, any accrued interest that is not forgiven under the Program will be due on the first payment date, which is the 15th of the month following the month in which the deferral expiration date occurs.

Under the requirements of the CARES Act, as amended by the PPP Flexibility Act and Consolidated Appropriations Act, 2021, proceeds may only be used for the Company's eligible payroll costs (with salary capped at \$100,000 on an annualized basis for each employee), or other eligible costs related to rent, mortgage interest, utilities, covered operations expenditures, covered property damage, covered supplier costs, and covered worker protection expenditures, in each case paid during the 24-week period following disbursement. The PPP Loan may be fully forgiven if (i) proceeds are used to pay eligible payroll costs or other eligible costs and (ii) full-time employee headcount and salaries are either maintained during the 24-week period following disbursement or restored by December 31, 2021. If not maintained or restored, any forgiveness of the PPP Loan would be reduced in accordance with the regulations that were issued by the SBA. All the proceeds of the PPP Loan were used by the Company to pay eligible payroll costs and the Company maintained its headcount and otherwise complied with the terms of the PPP Loan. As a result, the Company expects the PPP Loan will be forgiven by the SBA. The \$43,700 is shown as a current liability on the accompanying balance sheets for the year ending December 31, 2021.

(4) **Line of Credit**

The Company has not renewed the line of credit that expired on November 11, 2021 for \$250,000. Interest was payable monthly at the bank's prime rate 3.25% at December 31, 2020 or a floor of 3.50%. The balance at December 31, 2020 was \$149,556. The line was secured by all assets of the Company. The line was guaranteed by all members and a related entity. The Company failed to meet a financial covenant on its debt for the year ended December 31, 2020. However, the lender waived the covenant.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020
(continued)

(5) **Long-Term Debt**

	<u>2021</u>	<u>2020</u>
Note Payable Bank, dated November 31, 2018 in the amount of \$395,000. Payable in 60 monthly payments of \$7,564 including interest at 5.5%. Secured by all assets of the Company and guarantees of all members and a related party.	\$ 184,805	\$ 262,888
Note Payable Community Reinvestment Fund dated December 18, 2020, in the amount of \$50,000. Payable in 60 months. Interest at 1% for 18 months and 5.75% thereafter. The note was paid off in 2021.	0	50,000
SBA Loan, dated May 21, 2020, payable in 372 monthly payments of \$731 including interest at 3.75% until April 21, 2051. Secured by all assets of the Company.	<u>149,900</u>	<u>149,900</u>
TOTAL	334,705	462,788
LESS: CURRENT MATURITIES	<u>84,553</u>	<u>80,197</u>
LONG-TERM DEBT	<u>\$ 250,152</u>	<u>\$ 382,591</u>

Annual maturities of long-term debt for the years ending December 31 are as follows:

2022	\$ 84,553
2023	90,637
2024	18,137
2025	3,527
2026	3,661
Thereafter	<u>134,190</u>
	<u>\$ 334,705</u>

(6) **Commitments**

The Company leased office space under an operating lease that expired August 31, 2021 at \$2,950 per month. There was an option to renew the lease for an additional year at a 3% increase in the base monthly rental. The Company did not renew its lease with Wrightwood Developments. See Footnote 8 for updated rent agreement. The company also leases parking spaces on a month-to-month lease.

Rent expense was \$31,197 and \$40,300 for the years ending December 31, 2021 and 2020, respectively.

(7) **Retirement Plan**

The Company adopted a 401(k) plan for its employees, which allows them to make contributions to the plan by reducing their salaries. The Company may make a discretionary contribution in addition to an elective matching contribution. The Company elected to match dollar for dollar, participant's contributions up to 3% and an additional 50 cents from 3% to 5% of annual compensation. Matching contributions totaled \$6,418 and \$4,277 for the years ended December 31, 2021 and 2020.

BELLA BRIDESMAIDS FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

(8) Transactions with Related Parties

The Company began leasing its office space from a related party owned by majority members on an annual basis beginning June 2021. The monthly rent expense is \$1,500. Total rent charged to operations for the year ended December 31, 2021 was \$10,500. Under the terms of this lease, the Company is obligated to pay escalation rentals for certain operating expenses and real estate taxes.

(9) Subsequent Events

The Company has evaluated subsequent events through May 18, 2022, the date which the financial statements were available to be issued.

Unaudited Financial Statements

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

[Only included if required by state law]



Bella Bridesmaid Franchise Group, LLC

Financial Statements - Accrual Basis
For the period ended March 31, 2024

Prepared by
Unifi

Prepared on
April 12, 2024

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Balance Sheet

As of March 31, 2024

	Feb 2024	Mar 2024
ASSETS		
Current Assets		
Bank Accounts		
10100 BFBG Checking (5232)	68,267	59,730
10150 BFBG Savings (2824)	229	229
10200 FB&T Checking (3224)	1,520	755
10250 FB&T Savings (4869)	1,652	1,652
Total Bank Accounts	71,668	62,367
Accounts Receivable		
12000 Accounts Receivable	0	0
Total Accounts Receivable	0	0
Other Current Assets		
12100 ERTC Receivable	15,610	15,610
12300 Other Receivables	0	0
12305 Due From BBeC	0	0
12310 Due from Bella Bridesmaids Chicago	12	12
12500 Notes Receivable Courtney Ordaz (Orange County Franchisee)	51,604	51,604
14000 Prepaid Expenses	0	0
Loan to Bella Bridesmaids New York City	0	0
Loan To Bella Bridesmaids Tampa	35,395	38,194
Loan to Orlando	2,000	2,000
Uncategorized Asset	0	0
Total Other Current Assets	104,621	107,420
Total Current Assets	176,289	169,786
Fixed Assets		
15050 Furniture and Equipment	12,036	12,036
15100 Computer Software	218,428	218,428
15900 Accumulated Depreciation-Office	(5,675)	(5,675)
15950 Accumulated Depreciation-Softwa	(218,428)	(218,428)
Total Fixed Assets	6,362	6,362
Other Assets		
12400 Deposits	7,000	7,000
16000 Intangibles	524,880	524,880
16050 Goodwill	1,162,706	1,162,706
16100 Website	1,161,527	1,170,517
16900 Accumulated Amortization	(1,394,450)	(1,394,450)

No assurance is provided on these financial statements.

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The financial statements do not include a statement of cash flows.

Substantially all disclosures required by GAAP in the U.S. are not included.

	Feb 2024	Mar 2024
18000 Security Deposits Asset	0	0
Total Other Assets	1,461,663	1,470,653
TOTAL ASSETS	\$1,644,313	\$1,646,801

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 Accounts Payable	0	2,989
Total Accounts Payable	0	2,989

Credit Cards

21050 American Express BBFG Card (25000)	9,880	9,845
21100 BBFG Amex Bonvoy (72000)	2,620	4,376
21150 BBFG Chase Credit Card (0928)	84,532	79,581
Total Credit Cards	97,033	93,802

Other Current Liabilities

21200 Due to BBEC	108,303	108,303
23000 Payroll Liabilities	10,004	9,018
23050 401K Contributions Payable	3,748	1,346
24000 Accrued Expenses	366	531
25050 Chicago Resiliency Loan	0	0
25100 Current Maturities of Long-Term Debt	0	0
25150 SBA PPP Loan Payable	0	0
Due To Bella Bridesmaids Chicago	0	0
Total Other Current Liabilities	122,421	119,199

Total Current Liabilities

219,454 **215,989**

Long-Term Liabilities

26000 Evergreen Security Deposit	10,000	10,000
Houston	4,000	4,000
Las Vegas	0	0
Raleigh	3,602	3,602
Scottsdale	0	0
Tampa	0	0
Westport	0	0
Total 26000 Evergreen Security Deposit	17,602	17,602
27050 Byline Bank Loan Acct. 598801-9003	1,424	1,424
27100 SBA-EIDL-Covid19	150,000	150,000
27150 Byline Bank Line of Credit - 09001	100,000	100,000
Loan from BBeC	71,500	81,500

No assurance is provided on these financial statements.

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Substantially all disclosures required by GAAP in the U.S. are not included.

Accrual Basis

	Feb 2024	Mar 2024
Loan from Chicago	45,000	45,000
Loan from NYC	25,000	25,000
Loan from Orland	13,000	13,000
Total Long-Term Liabilities	423,526	433,526
Total Liabilities	642,981	649,515
Equity		
30000 Opening Balance Equity	0	0
32050 Member 1 Equity KC	(15,000)	(15,000)
32100 Member 1 Draws KC	(38,444)	(38,444)
33050 Member 2 Equity ECW	(15,000)	(15,000)
33100 Member 2 Draws ECW	(35,000)	(35,000)
39000 Retained Earnings	1,113,640	1,113,640
Net Income	(8,863)	(12,910)
Total Equity	1,001,333	997,286
TOTAL LIABILITIES AND EQUITY	\$1,644,313	\$1,646,801

No assurance is provided on these financial statements.

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The financial statements do not include a statement of cash flows.

Substantially all disclosures required by GAAP in the U.S. are not included.

Profit and Loss

March 2024

	Mar 2024	Total % of Income
INCOME		
41000 Royalty Fees	77,622	89.00 %
42000 Advertising Fees	7,517	9.00 %
43000 Technology Fees	2,560	3.00 %
Total Income	87,699	100.00 %
GROSS PROFIT	87,699	100.00 %
EXPENSES		
60000 Payroll Expenses	39,782	45.00 %
62000 Administrative Expenses	519	1.00 %
63000 Technology Expenses	10,075	11.00 %
64000 Advertising and Promotion	32,110	37.00 %
65000 Insurance Expense	257	0.00 %
66000 Travel Expense	3,310	4.00 %
67000 Professional Fees	2,246	3.00 %
69000 Vehicle Expenses	99	0.00 %
Total Expenses	88,400	101.00 %
NET OPERATING INCOME	(701)	(1.00 %)
OTHER INCOME		
8100 Interest Income	0	0.00 %
Total Other Income	0	0.00 %
OTHER EXPENSES		
9100 Interest Expense	1,416	2.00 %
9300 Taxes	1,930	2.00 %
Total Other Expenses	3,346	4.00 %
NET OTHER INCOME	(3,346)	(4.00 %)
NET INCOME	\$ (4,047)	(5.00 %)

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by GAAP in the U.S. are not included.

Profit and Loss YTD

January - March, 2024

	Total
INCOME	
41000 Royalty Fees	207,412
42000 Advertising Fees	20,778
43000 Technology Fees	7,055
Total Income	235,245
GROSS PROFIT	235,245
EXPENSES	
60000 Payroll Expenses	94,749
61000 Occupancy Expense	2,000
62000 Administrative Expenses	1,954
63000 Technology Expenses	28,055
64000 Advertising and Promotion	90,088
65000 Insurance Expense	673
66000 Travel Expense	11,271
67000 Professional Fees	6,463
68000 Bella Bash Expenses	651
69000 Vehicle Expenses	99
Total Expenses	236,003
NET OPERATING INCOME	(758)
OTHER INCOME	
8100 Interest Income	1
Total Other Income	1
OTHER EXPENSES	
9100 Interest Expense	10,190
9300 Taxes	1,962
Total Other Expenses	12,152
NET OTHER INCOME	(12,152)
NET INCOME	\$ (12,910)

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by GAAP in the U.S. are not included.

EXHIBIT E

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**Bella Bridesmaids Franchise Group
Operations Manual**

Updated as of December 10, 2012

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EXHIBIT F**LIST OF LOCATIONS****As of December 31, 2023**

FRANCHISEE	ADDRESS	PHONE
Alabama		
Sisters Too, LLC Charlotte Thompson/Jeana Lee Thompson	104 Broadway St. Birmingham, AL 35209	205-942-6444
Elizabeth Stewart, LLC Elizabeth Stewart	7 North Conception Street Mobile, AL 36602	251-517-5474
Arizona		
99 Barberry, LLC Laura Seitz/Jillian Howison	4225 N. Marshall Way Suite 3 Scottsdale, AZ 85251	480-399-8550
California		
Trinh Ono, LLC Trinh Chu	223 S. Beverly Drive, Unit B Beverly Hills, CA 90212	310-550-1755
Silver Mallard, LLC Geonette Woods	1700 I Street, Unit 120 Sacramento, CA 95811	916-706-3927
Daffodil Hill, LLC Brie Hall Matson	2250 Union Street, Suite 1B San Francisco, CA 94123	415-931-5492
Colorado		
West 78 th Enterprises, LLC Rae Ann Wheeler	579 Milwaukee St. Denver, CO 80206	303-377-2025
Connecticut		
Ever After, LLC Margaret Foley	19 Post Road West Westport, CT 06880	203-424-4750
West Hartford Dresses, LLC Heidi Tabaszewski	51 East Main St. Avon, CT 06001	860-321-7659
Florida		

CCarmona, LLC Christi Carmona	2 Alhambra Plaza Suite 106 Coral Gables, FL 33134	786-452-0314
Georgia		
Britain Lamon Enterprises, LLC Britain Lamon	691 14 th Street NW Unit 122 Atlanta, GA 30318	404-846-8880
Illinois		
NMR Fashion, Inc. Natalie Bauer/Melissa Russell	17W531 Roosevelt Rd. Oakbrook Terrace, IL 60181	630-523-9720
Indiana		
Blushing Blonde, LLC Dina/Andrejs Kancs	241 N. Rangeline Road Carmel, IN 46032	317-575-1843
Kansas		
Mini and Me, LLC Angela Schell and Carolyn McCubbin	5220 West 116 th Place Leawood, KS 66211	913-338-1901
Louisiana		
DDMR Sales, LLC Meghan/Reese LeBlanc Danielle/Devon Bourque	4265 Perkins Road Baton Rouge, LA 70808	225-246-2106
BV DRESSES, LLC Holly/Derek Schreiber	750 Southfield Road Shreveport, LA 71106	318-698-0075
Nouveau Belles, LLC Jennifer Swett /Darcy Senner	2875 US-190 Unit E2 Mandeville, LA 70471	985-231-7870
Acbona, LLC Annie Bonaventure Kristi Pearl Flores	111 Settlers Trace Blvd. Suite 1003 Lafayette, LA 70508	337-456-8080
Maryland		
Elite Brides and Company, LLC LaTonya Turnage	337 N. Charles St. Baltimore, MD 21201	410-910-9664
Massachusetts		

Brittan M LLC Brittan McCarthy-Brilly	715 Boylston St. 4 th Floor Boston, MA 02116	617-424-7231
Michigan		
Alexandra Lane LLC Alex Pohl	112 Monroe Center Street NW Grand Rapids, MI 49503	616-369-3371
Missouri		
Dream Dresses, LLC Karen Halper	4732 McPherson Ave St. Louis, MO 63108	314-925-8584
Nevada		
Lome Designs, LLC Eduardo Lome	170 S. Green Valley Pkwy Suite 180 Henderson, NV 89012	702-547-2355
New Jersey		
Meant to be JT, Inc. Jillian Vicenio and Taylor Nanthachak	177 Columbia Turnpike 2 nd Floor Florham Park, NJ 07932	973-210-0967
Amotherslove Inc. Samira Avshalumova/Kyle Bocchino	5 West Main Street Suite 201 Freehold, NJ 07728	732-308-2314
New York		
Gold Coast Bridal, LLC Angela Vomero Christine Lyons	30 Gerard Street Huntington, NY 11743	631-923-2343
North Carolina		
Beech Circle LLC Carly Ann Garrison/Kevin Garrison	1419 East Blvd. Suite F Charlotte, NC 28203	704-817-7547
Grit and Grace SK, Inc. Rachel Harrell	2425 Kildaire Farm Rd. #305 Cary, NC 27518	919-594-1845

Ohio		
Sloane Avenue Enterprises LLC Sandy Palenschat	19316 Detroit Rd. Rocky River, OH 44116	440-799-4468
Oklahoma		
The Spoonful of Beauty, LLC Lexi Spoon	7614 N. May Avenue Oklahoma, OK 73116	
Pennsylvania		
RLC + ABC, LLC Randi L. Charen	30 South Bank Street Philadelphia, PA 19106	267-639-5919
South Carolina		
AEL, LLC Ann E. Rice Levin/Lisa S. Rice/ Joseph F. Rice	8 Vanderhorst Street, Upstairs Charleston, SC 29403	843-425-8079
BGAL, LLC Ann E. Rice Levin Lisa S. Rice	1818 Augusta St. Suite 102 Greenville, SC 29605	864-241-4001
BCAL, LLC Ann E. Rice Levin Lisa S. Rice Joseph F. Rice	2900 Devine Street Columbia, SC 29205	803-605-2200
Tennessee		
It's Happening, LLC Sarah Baker Caroline Baker	4645 Newcom Ave. Knoxville, TN 37919	865-382-3098
JMAV Holdings, LLC Melanie/Jay Brown	5000 Thoroughbred Lane Brentwood, TN 37027	615-383-8004
Sidney Sarah, LLC Sidney Mitchell Moore Allyson Mitchell	426 Perkins Extended Memphis, TN 38117	901-590-3268

Texas		
True Blue Partners, LLC Blair Moore/Kelli Gunn	136 Glass Street Suite 150 Dallas, TX 75207	214-999-9311
Wilkinson Taylor, LLC Stephanie Wilkinson/Natalie Taylor	2611 Greenbriar Drive #2 Houston, TX 77098	713-528-2778
Washington, DC		
Bella DC 1, LLC Elizabeth Pettis/Susan Pettis	1046 Potomac Street NW Lower Level Washington, DC 20007	202-966-0481
Wisconsin		
B Minnesota, LLC Stephanie/Thomas Campbell	7480 W State Street Milwaukee, WI 53213	414-270-0344
COMPANY OR AFFILIATE OWNED STORES		
Florida		
BBFG Tampa, LLC Kathleen Casey and Erin Casey Wolf	4002 W. Kennedy Blvd. Tampa, FL 33609	813-443-4984
BBFG Tampa, LLC Kathleen Casey and Erin Casey Wolf	248 S. Pennsylvania Avenue Suite 102 Winter Park, FL 32789	407-744-7754
Illinois		
Meeee Much, Inc. Kathleen Casey and Erin Casey Wolf	One East Delaware Pl Suite 301 Chicago, IL 60611	312-943-0344
New York		
Meeee Much + More, LLC Kathleen Casey and Erin Casey Wolf	45 W. 34th St. Suite 712 New York, NY 10001	212-695-2700

EXHIBIT G

LIST OF TERMINATED/CLOSED LOCATIONS

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. The following is a list of franchisees who have ceased to operate a showroom during the fiscal year ending December 31, 2023. The list may include those franchisees who have had a franchise agreement terminated, cancelled, not renewed, otherwise voluntarily or involuntarily ceased to do business under the franchise agreement as a result of transfers to other franchisees, to us or our subsidiaries, or otherwise.

Name	City	State	Current Telephone Number
Erika Berardinucci	Allentown	PA	484-602-7567
Susy & Samantha Breeland	Austin	TX	512-971-5289
Ulrike Sellers & Anna Marlow	Harrisburg	PA	443-835-0100
Liz Davis	Jackson	MS	601-291-7058
Sandra Sprague & Hannah Douglas	Jacksonville	FL	904-962-4873; 904-302-3997
Charla Crowley Arnold	Little Rock	AK	870-816-7330
Stephanie Campbell	Minneapolis	MN	612-720-8013
Courtney Ordaz	Orange County	FL	909-522-2618
Faren Bickerstaff	Palm Beach	FL	561-379-7224
Elizabeth Rand	Richmond	VA	804-839-0617
Katharine Josephson	Savannah	GA	404-993-0283
Stanley & Joanna Marcus	San Antonio	TX	210-556-4680
Ashton Held	Raleigh	NC	336-442-0936
Mary Kendall Butler	Mobile	AL	251-769-0880

Morgan O'Brien	Greenville	SC	864-918-2115
Meredith Hartman	Philadelphia	PA	864-494-4226
Brie Matson	Sacramento	CA	916-990-5863
Brittnee Rathjen & Cianna Campbell	Las Vegas	NV	702-324-0582
Amanda Seibert & Danielle Hassenbein	Madison	NJ	973-495-5107
Nell B. Kedrow	Knoxville	TN	865-588-1588
Sarah Murphy & Nancy Paperi	Kansas City	KS	913-271-0704
Whitney Newland	Baltimore	MD	804-513-1917

Other than as set forth above, there have been no franchisees who have had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within ten (10) weeks of this issued Disclosure Document.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The Bella Bridesmaids Franchise Group, LLC Franchise Disclosure Document for use in the State of California is modified in accordance with the following:

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

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

1. Item 3 of the disclosure document is hereby modified by adding the following language to the end thereof:

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

2. Item 6 of the disclosure document on “Other Fees” is amended by the addition of the following:

“The interest rate shall not exceed the highest rate allowed by the State of California, which is 10% annually.”

3. Item 10 of the disclosure document on “Financing” is amended by the addition of the following:

“We will comply with all appropriate laws governing any direct financing offered by us to you including, if applicable, the California Finance Lenders Law.”

4. Item 17 of the disclosure document on “Renewal, Termination, Transfer and Dispute Resolution” is amended by the addition of the following:

“California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a

franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (Corporations Code 30000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the California Franchise Relations Act (Business and Professions Code Sections 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 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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

The Franchise Agreement contains a waiver of punitive damages and jury trial provision. These provisions may not be enforceable.“

5. California Corporations Code 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.

6. The company's website address is <http://www.bellabridesmaids.com>. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at <http://www.dfpi.ca.gov>.

7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement restricting venue to a forum outside the State of California.

8. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which

requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

The Bella Bridesmaids Franchise Group, LLC Disclosure Document for use in the State of Illinois is modified in accordance with the following:

1. Item 17 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“Illinois has a statute that might supersede the Franchise Agreement in your relationship with us, including the areas of ... termination, and renewal of your franchise [815 ILCS 705/1 - 44 of the Illinois Franchise Disclosure Act].”

2. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

3. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF INDIANA

The Bella Bridesmaids Franchise Group, LLC Disclosure Document for use in the State of Indiana is modified in accordance with the following:

1. Item 11 of the Disclosure Document is hereby modified by adding the following to the end of the first paragraph thereof:

“You will not be required to spend a total of more than 1% of your annual Gross Revenue for your own local advertising and cooperative advertising expenditures combined, and you will not be required to spend more than 1% of your Gross Revenues on national or regional advertising programs should such programs be established. Alternatively, you may comply with Indiana Code Section 23-2-2.7-1(11) by spending up to 1% of your monthly Gross Revenue on advertising each month and providing an accounting to us of such expenditures on a monthly basis.”

2. Item 12 of the Disclosure Document is hereby modified by adding the following to the end of the first paragraph thereof:

“Notwithstanding anything in this paragraph to the contrary, we may not operate a business substantially identical to your Bella Bridesmaids Franchised Location within your Franchise territory, regardless of the trade name used by such business. Refer to Indiana Code Section 23-2-2.7-1(2).”

3. Item 17 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“With respect to items c. and m. of the chart set forth above, you are not required to prospectively release any claims against Bella Bridesmaids arising under Indiana franchise law subject to the limitations provided for in Indiana Code Section 23-2-2.7-1(10). Any release of claims or damages shall be subject to the limitations provided for in Indiana Code Section 23-2-2.7-1(10).

With respect to item p. of the chart set forth above, your surviving spouse, heirs, or your estate shall have the opportunity to participate in the ownership of the Franchised Location under the Franchise Agreement (if then currently in effect) for a reasonable time after your death, provided that such surviving spouse, heirs, or estate maintains all standards and

EXHIBIT H (Indiana continued)

obligations of the Franchise Agreement for the Franchised Location. Refer to Indiana Code Section 23-2.2.7-2(3).

With respect to item r. of the chart set forth above, any post-termination covenant shall be subject to the limitations provided for in Indiana Code Section 23-2-2.7-1(9).

With respect to items v. and w. of the chart set forth above, if the Franchise Agreement requires litigation to be conducted in a forum other than the State of Indiana, or requires other limitations on litigation for breach of the Franchise Agreement, such requirements may be an unenforceable limitation on litigation under Indiana Code Section 23-2.2.7-1(10). If the Franchise Agreement is governed by the laws of a state other than the State of Indiana, to the extent that those laws conflict with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, such Indiana Acts will control.”

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MICHIGAN

MICHIGAN SPECIAL NOTICE TO FRANCHISEES

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than thirty (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 furnishing 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 five (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 six (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.

EXHIBIT H (Michigan continued)

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

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

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, franchisee has the right to request an escrow arrangement.

EXHIBIT H (Michigan continued)

Any questions regarding the notice of this franchise offering should be directed to:

CONSUMER PROTECTION DIVISION
FRANCHISE
P.O. BOX 30213
Lansing, Michigan 48909
(517) 373-7117

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA

The Bella Bridesmaids Franchise Group, LLC Disclosure Document for use in the State of Minnesota is modified in accordance with the following:

1. The outside front cover of this Disclosure Document is hereby modified by adding the following:

“THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.”

2. Item 13 of the Disclosure Document is hereby modified by adding the following paragraph to the end thereof:

“With respect to franchises governed by Minnesota law, Bella Bridesmaids will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to protect your right to use the trademarks. Refer to Minn. Stat. section 80C.12, subd. 1(g).”

EXHIBIT H (Minnesota continued)

3. Item 17 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“With respect to franchises governed by Minnesota law, Bella Bridesmaids will comply with Minnesota Statute 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, (1) that you be given ninety (90) days’ notice of termination (with 60 days to cure) and one hundred eighty (180) days’ notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld..

Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C. Minn. Stat. 80C.21 and Minn. Rule 2860.4400J prohibit Bella Bridesmaids from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, Bella Bridesmaids may seek injunctive relief, but may not require you to waive any rights provided under Minn. Rule 2860.4400J. Furthermore, the determination as to whether or not a bond will be required of Bella Bridesmaids in seeking injunctive relief will be left to the determination of the court hearing the petition for relief.

Minnesota Rules 2860.4400(D) prohibits Bella Bridesmaids from requiring you to assent to a general release.

The Limitation of Claims section must comply with Minnesota Statutes, section 80C.17, subd. 5.”

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NEW YORK

The Bella Bridesmaids Franchise Group, LLC Disclosure Document for use in the State of New York is modified in accordance with the following:

1. The cover page of the Franchise Disclosure Document is amended to add the following statement:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“Neither Bella Bridesmaids, nor its predecessor, nor any person identified in Item 2 of this Disclosure Document has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or them alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither Bella Bridesmaids, nor its predecessor, nor any person identified in Item 2 of this Disclosure Document has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding where such felony, civil action, complaint or other legal proceeding involved

violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither Bella Bridesmaids, nor its predecessor, nor any person identified in Item 2 of this Disclosure Document is subject to any injunctive or restrictive order or decree relating to franchises or under any Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.”

3. Item 4 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“Neither we, our affiliate, our predecessor nor our officers during the 10 year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.”

4. Item 5 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“Proceeds from the initial franchise fee are, in part, compensation to us for your use of the trademarks and the Bella Bridesmaids system and are, in part, used to defray our expenses and costs incurred in connection with registering and offering franchises, identifying and evaluating prospective franchisees, registering and protecting our trademarks and commercial symbols, further development of the Bella Bridesmaids system, providing the initial materials provided to franchisees, and furnishing services to franchisees.”

5. Items 17.c. and m of the Disclosure Document are amended by adding the following statement in the summary column:

“However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.”

6. Item 17.d. of the Disclosure Document is hereby deleted and the following inserted in its place:

d. Termination by you None You may terminate the agreement on any grounds available by law.

6. Item 17.j. of the Disclosure Document is hereby deleted and the following inserted in its place:

j. Assignment of contract by us Section 13 No assignment will be made except to an assignee who, in our good faith and judgment, is willing and able to assume our obligation under the Franchise Agreement.

7. Item 17.s. of the Disclosure Document is hereby deleted and the following inserted in its place:

s. Modification of the agreement Sections 1, 9, and 19 No modifications generally unless in writing signed by both parties, but Bella Bridesmaids system and Confidential Operations Manual subject to change by us in our sole discretion. Revisions to the Confidential Operations Manual will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement.

8. Item 17.w. of the Disclosure Document is hereby deleted and the following inserted in its place:

w. Choice of law Section 20 Illinois law applies. The foregoing choice of law should not be considered a waiver of any right conferred upon us or upon you by Article 33 of the General Business law of the State of New York.

9. THE FRANCHISOR REPRESENTS THAT THIS OFFERING PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law
- g. If the Agreement requires consent to a waiver of trial by jury, such provision may be unenforceable under the North Dakota Franchise Investment Law.
- h. If the Agreement requires consent to a waiver of exemplary and punitive damages, such provision may be unenforceable under the North Dakota Franchise Investment Law.

- i. If the Agreement requires consent to a limitation of claims within one year, such provision may be unenforceable under the North Dakota Franchise Investment Law.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF OHIO

In recognition of the restrictions contained in Section 1334.01 et seq. of the Ohio Business Opportunity Plan Law, the Franchise Disclosure Document for Bella Bridesmaids Franchise Group, LLC for use in the State of Ohio shall be amended as follows:

1. Item 17.v. of the Disclosure Document is hereby deleted and the following inserted in its place:

- | | | | |
|----|-----------------|------------|---|
| v. | Choice of forum | Section 24 | Litigation must be filed in the state or federal courts located in Cook County, Illinois. For any franchises purchased by an Ohio resident, section 1334.15 of the Ohio Business Opportunity Plan Law declares void any provision in an agreement restricting venue to a forum outside of Ohio. |
|----|-----------------|------------|---|

2. Item 17.w. of the Disclosure Document is hereby deleted and the following inserted in its place:

- | | | | |
|----|---------------|------------|---|
| w. | Choice of law | Section 24 | Illinois law applies. For any franchises purchased by an Ohio resident, section 1334.15 of the Ohio Business Opportunity Plan Law declares void any provision in an agreement requiring the application of laws of a state other than Ohio. |
|----|---------------|------------|---|

3. OHIO BUSINESS OPPORTUNITY PLAN LAW SECTION 1334.05 REQUIRES US TO GIVE YOU NOTICE OF YOUR RIGHT TO CANCEL THE FRANCHISE AGREEMENT AT ANY TIME BEFORE MIDNIGHT ON THE FIFTH (5TH) BUSINESS DAY AFTER THE DAY ON WHICH YOU SIGN THE FRANCHISE AGREEMENT.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Bella Bridesmaids Franchise Group, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Item 17.h. of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Under 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 grounds 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.”

Risk Factor: "The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support you." Specifically, per the balance sheet as of December 31, 2022, intangible assets and goodwill represent more than 50% of total assets and removal of both results in a negative net worth.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON

The Bella Bridesmaids Franchise Group, LLC Disclosure Document for use in the State of Washington is modified in accordance with the following:

1. Item 6, Note 10 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“The transfer fee is collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.”

2. Item 17.v. of the Disclosure Document is hereby deleted and the following inserted in its place:

v.	Choice of forum	Section 20	Litigation must be filed in the state or federal courts located in Cook County, Illinois. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
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3. Item 17.w. of the Disclosure Document is hereby deleted and the following inserted in its place:

w.	Choice of law	Section 20	Illinois law applies. The State of Washington has a Statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your
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relationship with us including the areas of termination and renewal of your franchise.

4. Item 17.x. of the Disclosure Document is hereby deleted and the following inserted in its place:

- x. Waiver of jury trial Section 20 Each party irrevocably waives trial by jury in any action brought by either party. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. If any of the provisions in the Franchise Disclosure Document, or Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document or Franchise Agreement with regard to any franchises sold in Washington.

6. The State of Washington's policy pursuant to its Administrative Regulations pertaining to releases is as follows:

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

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

8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a

noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

EXHIBIT H

ADDENDUM TO THE BELLA BRIDESMAIDS FRANCHISE GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WISCONSIN

The Bella Bridesmaids Franchise Group, LLC Disclosure Document for use in the State of Wisconsin is modified in accordance with the following:

1. Item 17 of the Disclosure Document is hereby modified by adding the following language to the end thereof:

“The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provisions of the Franchise Contract or Agreement if such provisions are in conflict with that law.”

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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
Indiana	Not registered
Illinois	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Not registered
Wisconsin	Not registered

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

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If Bella Bridesmaids Franchise Group, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Bella Bridesmaids Franchise Group, LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state administrator identified on **Exhibit A** to this disclosure document.

Our sales agents for this offering are Erin Casey Wolf and Kathleen Casey at Bella Bridesmaids Franchise Group, LLC, 1 East Delaware, Suite 301, Chicago, Illinois, 606411, 312-943-0344.

Issuance Date: May 1, 2024.

I received a Disclosure Document dated May 1, 2024 that included the following Exhibits:

- A. State Franchise Administrators
- B. Agents for Service of Process
- C. Franchise Agreement
- D. Audited Financial Statements
- E. Table of Contents to Bella Bridesmaids Owners Manuals
- F. List of Locations
- G. List of Terminated Locations
- H. State Addenda

Date _____

Your name (please print):

Co-Recipient (e.g., spouse, partner, etc.)

[YOUR COPY]

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Date _____

Your name (please print):

Co-Recipient (e.g., spouse, partner, etc.)

[SIGN AND RETURN TO Bella Bridesmaids]