

## FRANCHISE DISCLOSURE DOCUMENT

*the*  
BUNNY  
HIVE®

The Bunny Hive Franchising, LLC  
A Georgia limited liability company  
2715 Creek Edge  
Powhatan, Virginia 23139  
Tel: (804) 356-0134  
Email: brittany@thebunnyhive.com

The franchise described in this Disclosure Document is for the operation of a business that provides classes, social opportunities, community, educational programming, events, workshops, and other age-appropriate activities for children ages newborn through kindergarten and their caregivers under the name The Bunny Hive. The total investment necessary to begin operation of a The Bunny Hive business is ~~\$126,650~~ \$610 to \$330,850. This includes \$42,000 that must be paid to franchisor or affiliate. Under a Development Agreement, you must agree to open at least two franchises and pay us a development fee of \$42,000 plus half of the reduced initial franchise fee (\$16,800) for each additional franchise. The total investment for two to five franchises under the Development Agreement is \$143,410 to \$398,050. This includes \$58,800 to \$109,200 that must be paid to franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Brittany Schmid at 2715 Creek Edge, Powhatan, Virginia 23139, telephone: (804) 356-0134.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant. Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 29, 2025

## 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 Virginia. 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 Virginia than in your own state.
2. **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.
3. **Short Operating History.** This franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
4. **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.
5. **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.
6. **Going Concern.** The auditor's report on the franchisor's financial statements expresses substantial doubt about the franchisor's ability to remain in business. This means that the franchisor may not have the financial resources to provide services or support to you.
- 5-7. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

6.

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.

To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. We are not responsible for any suppliers or service providers that we designate or otherwise refer to you. We may, at any time, in our discretion, change, delete, or add to any of our specifications or quality standards. Such modifications, however, will generally be uniform for all franchisees.

We will notify you in writing of our decision as soon as practicable following our evaluation. We will use commercially reasonable efforts to evaluate any supplier you propose within three months after your request. If you do not receive our approval within three months after submitting all the information that we request, our failure to respond will be deemed a disapproval of the request. If we approve any products, supplies, equipment, or services or supplier/service provider, in response to your request for approval submitted hereunder and the item or supplier/service provider is thereafter required to be used on a System-wide basis, we will refund or waive all inspection charges paid. We reserve the right to revoke approval of any product, supply, equipment, service, supplier, or service provider for any reason, in our sole discretion, effective upon notice to you.

Our and our affiliates' revenue from all required purchases and leases of products and services by franchisees in the ~~prior fiscal year~~ 2024 was \$0. The percentage of our total revenue from required purchases or leases in the ~~prior fiscal year~~ 2024 was 0%.

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the Franchise Agreement does not prohibit us from doing so. We may receive revenue and earn profits from any product we supply or from designated suppliers. We are not required to give you an accounting of any payments we receive from designated suppliers, nor are we required to share any benefits of supplier payments with you or with any other franchisee. We and our affiliates have the right to collect any rebates or refunds provided by a supplier or vendor in connection with your purchase of any products or services.

We estimate that purchases and leases made by you from approved or designated suppliers, or according to our standards and specifications, represents 50% to 60% of your total cost of establishing your Studio and approximately 35% to 45% of your total cost of operating your Studio.

There are currently no franchisee purchasing or distribution cooperatives within the System. In the future, we may require you to (i) become a member of any purchasing and/or distribution cooperative(s)/association(s)/program(s) designated by us and/or established by us for the System, (ii) remain a member in good standing of the purchasing and/or distribution cooperative(s)/association(s)/program(s), and (iii) pay all membership dues or fees on purchases that are assessed by the purchasing and/or cooperative(s)/association(s)/program(s).

As of the date of this Disclosure Document, we do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

#### **Item 9. FRANCHISEE'S OBLIGATIONS**

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

Except for one developer in Tennessee and one developer in Florida, we have not entered into any Development Agreements as of the date of this Disclosure Document. Our Tennessee developer has committed to open a total of two units, one in 2024 and one in 2025. Our Florida developer has committed to open a total of three locations, two in 2025 and one in 2027.

**Exhibit F** contains the names of all current franchisees as of December 31, 2024 and the address and telephone number of each of their outlets.

**Exhibit F** contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date.

If you buy this Studio, your contact information may be disclosed to other buyers when you leave the System.

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee. There are no trademark-specific franchisee organizations associated with our System.

There are no trademark-specific franchisee organizations associated with our System.

## **Item 21. FINANCIAL STATEMENTS**

Attached as **Exhibit D** of this Disclosure Document are our audited balance sheets as of December 31, 2024 and 2023, and related statements of operations, and changes in member's deficit and cash flows for the year ended December 31, 2024, and for the period from inception on March 22, 2023 to December 31, 2023, and our unaudited balance sheet as of April 30, 2025, and income statement for the period from January 1, 2025 to April 30, 2025. **Because we have not been in existence for at least 3 years, we do not have available and cannot yet include in this Disclosure Document three full years of audited financial statements.**

## **Item 22. CONTRACTS**

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

Exhibit B. Franchise Agreement with Payment and Performance Guarantee and the following attachments:

- Attachment 1 - Authorization Agreement for Prearranged Payments
- Attachment 2 - Site Acceptance Letter
- Attachment 3 - Lease Addendum
- Attachment 4 - Nondisclosure and Non-Compete Agreement
- Attachment 5 - Nondisclosure Agreement
- Attachment 6 - Conditional Assignment of Brand Accounts

Exhibit C. Development Agreement

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	
Maryland	Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7 <sup>th</sup> Place East, Suite 500280 St. Paul, Minnesota 55101-2198 (651) 296-6328539-1600	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Fl. New York, New York 10005 (212) 416-8285	New York Department of State One Commerce Plaza, 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231-0001 Attention: New York Secretary of State (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, ND 58505-0510	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, ND 58505-0510

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

**Balance Sheet**  
**The Bunny Hive Franchising**  
As of April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
10000 Chase Bank *2799	90,417.60
10001 Newtek Checking Bank *7264	62,903.45
10600 Newtek Business Money Market *3156	150,538.14
12600 Newtek CD Account *0646	50,274.26
<b>Total for Bank Accounts</b>	<b>\$354,133.45</b>
Accounts Receivable	
11000 Accounts Receivable	231,840.00
11200 Royalties receivable	231,840.00
<b>Total for Accounts Receivable</b>	<b>\$231,840.00</b>
Other Current Assets	
10997 Transfer Clearing	
12000 Inventory	
12001 Accrued Royalty	4,387.04
13000 Prepaid Expenses	
14000 Due To/From Bunny Hive Atlanta	
14001 Due To/From Bunny Hive Holdings	-6,542.86
14002 Due To/From Libbie Plaza (Richmond)	
<b>Total for Other Current Assets</b>	<b>7,018.67</b>
<b>Total for Current Assets</b>	<b>\$4,862.85</b>
Fixed Assets	
Other Assets	
18000 Security Deposits	1,650.00
19020 Software License	6,120.00
<b>Total for Other Assets</b>	<b>\$7,770.00</b>
<b>Total for Assets</b>	<b>\$598,606.30</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	5,483.87
<b>Total for Accounts Payable</b>	<b>\$5,483.87</b>
Credit Cards	
21000 Chase CC *1596	33,493.59
21001 Towne Bank Card	
21002 American Express CC *1001	

# Balance Sheet

## The Bunny Hive Franchising

As of April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Credit Cards</b>	<b>\$33,493.59</b>
Other Current Liabilities	
23301 Accrued Royalty	
23400 Payroll Clearing	
23500 Amex Line of Credit	
<b>Total for Other Current Liabilities</b>	<b>20,000.00</b>
<b>Total for Current Liabilities</b>	<b>\$20,000.00</b>
<b>Total for Current Liabilities</b>	<b>\$58,977.46</b>
Long-term Liabilities	
24500 Contract Liabilities	
26000 SBA - Newtek Bank Loan	852,200.00
26001 Deposits	291,102.37
<b>Total for Long-term Liabilities</b>	<b>2,000.00</b>
<b>Total for Liabilities</b>	<b>\$1,145,302.37</b>
<b>Total for Liabilities</b>	<b>\$1,204,279.83</b>
Equity	
38000 Retained Earnings	
Net Income	-435,747.52
31000 Beginning Owner Equity - The Bunny Hive Holdings - 100%	-137,067.77
31100 Owner Contributions - The Bunny Hive Holdings - 100%	
31200 Owner Withdrawals - The Bunny Hive Holdings - 100%	
38500 Equity - Prior Year Adjustments	-40,000.00
<b>Total for Equity</b>	<b>7,141.76</b>
<b>Total for Equity</b>	<b>-\$605,673.53</b>
<b>Total for Liabilities and Equity</b>	<b>\$598,606.30</b>

**Profit and Loss**  
**The Bunny Hive Franchising**  
 January 1-April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Income</b>	
41000 Franchise Fee Revenue	33,500.00
41001 Royalty income	65,819.83
41002 Brand Awareness Income	16,565.67
41003 Tech Fee Revenue	17,728.90
41004 Cross Regional	20,000.00
41005 Transfer Fees	
45000 Retail Revenue	20,000.00
<b>Total for Income</b>	<b>\$153,614.40</b>
<b>Cost of Goods Sold</b>	
<b>Gross Profit</b>	<b>\$153,614.40</b>
<b>Expenses</b>	
51000 Retail Product Costs	105.79
60010 Wages	57,891.40
60020 Bonus	75.00
61100 Payroll Taxes	5,158.52
61110 Payroll Company Expenses	996.58
61120 Workers Compensation	75.38
61210 Background Checks	440.89
61221 Franchisee Training	677.70
61230 Employee Benefits	400.00
62010 Rent	9,120.71
62030 Repairs & Maintenance	40.62
63000 Insurance Expense	9,003.53
64000 Fran Dev Expenses	4,980.92
64010 National Marketing Fund	6,842.53
64120 Online Advertising	441.29
65020 Bank Service Charges	1,220.00
65040 Point of Sale Fees	26,847.59
65051 Other Software	111.00
65070 Licenses & Permits	225.00
65100 Office Expenses	1,744.36
65110 Postage & Delivery	101.91
65121 Printing & Postage	1,769.94
65130 Professional Fees - Accounting	9,988.00
65135 Professional Fees - Consulting	52,808.87
65140 Professional Fees - Legal	11,669.48
65170 Telephone/Internet	10.00
65180 Uniforms	93.28
65200 Dues and Subscriptions	3,756.68

# Profit and Loss

## The Bunny Hive Franchising

January 1-April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
65999 Operating In/Out	740.73
<b>Total for Expenses</b>	<b>\$207,337.70</b>
<b>Net Operating Income</b>	<b>-\$53,723.30</b>
Other Income	
Other Expenses	
70000 Miscellaneous General & Operating	400.00
70010 Automobile Expense	56.12
70050 Meals	2,997.99
70089 Change to Owner/Officer Life Insurance	131.82
70090 Travel	9,058.54
70150 Management Fees	70,500.00
72100 Bank Loan Interest	200.00
<b>Total for Other Expenses</b>	<b>\$83,344.47</b>
<b>Net Other Income</b>	<b>-\$83,344.47</b>
<b>Net Income</b>	<b>-\$137,067.77</b>

## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the State of Minnesota, this Disclosure Document is amended for Minnesota franchises as follows:

The following is added to Item 5:

Based upon the franchisor's financial condition, the State of Minnesota, Department of Commerce 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor 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 agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 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.

\_\_\_\_\_The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee 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 Minnesota Statutes, Section 80C.12, Subd. 1(g).

\_\_\_\_\_Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

\_\_\_\_\_The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

\_\_\_\_\_The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

\_\_\_\_\_NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

\_\_\_\_\_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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT and DEVELOPMENT AGREEMENT**

This Addendum amends the Franchise Agreement [if applicable: and Development Agreement] dated \_\_\_\_\_ (the "Agreement"), between The Bunny Hive Franchising, LLC, a Georgia limited liability company, the franchisor, and \_\_\_\_\_, a \_\_\_\_\_, the franchisee, and is effective as of the date of the Agreement. Capitalized terms used herein that are not defined shall have the meanings ascribed to them in the Agreement.

1. **Fee Deferral.** Based upon the franchisor's financial condition, the State of Minnesota, Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor 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 agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 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.

4. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee 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 Minnesota Statutes, Section 80C.12, Subd. 1(g).

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

6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

8. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

9. 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

THE BUNNY HIVE FRANCHISING, LLC

By:  
Name:  
Title:  
Date:

\_\_\_\_\_  
By:  
Name:  
Title:  
Date: