

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement
(with Addenda)

TIJON FRAGRANCE LAB FRANCHISING, INC.

TIJON FRAGRANCE LAB FRANCHISING, INC.
FRANCHISE AGREEMENT
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TIJON FRAGRANCE LAB FRANCHISING, INC.
FRANCHISE AGREEMENT

AGREEMENT made this _____ day of _____, 20__ by and between Tijon
Fragrance Lab Franchising, Inc., an Arizona Corporation, having its principal place of business at 4757
North Wolford, Tucson, Arizona 85749. (hereinafter referred to as "Franchisor") and

_____ of _____ (hereinafter referred to as "Franchisee").

WHEREAS, Franchisor has acquired experience, skills and knowledge with reference to the
development, opening and operation of a perfumery selling a wide variety of custom perfumes and
colognes and conducting entertaining perfume-making classes under the Tijon Fragrance Lab logo; and

WHEREAS, Franchisor is the sole owner to the right, title and interest in and to the trademark
"Tijon" which was registered with the United States Patent and Trademark Office Principal Register on
June 21, 2005, and assigned Registration Number 2963323; and

WHEREAS, Franchisee desires to obtain from Franchisor a franchise to operate a Tijon Fragrance
Lab business from one location and in connection therewith to use the Trademark, to employ the
Franchisor's approved business techniques, formularies, lesson plans, product lines, and systems, and to
benefit from its experience and knowledge;

NOW, THEREFORE, the parties hereto, in consideration of their mutual promises herein contained,
and for other good and valuable consideration acknowledged by them to be adequate, do hereby agree as
follows:

1. APPOINTMENT

A. Franchisor hereby grants unto Franchisee and Franchisee hereby accepts the right, license
and privilege to use and benefit from the Franchisor's techniques, skills, experience, knowledge, and the
Proprietary Marks in the operation of a Tijon Fragrance Lab under the conditions hereinafter set forth.
Franchisor further grants to Franchisee the right to operate its business only within guidelines for
Franchisees within the Protected Area described in Addendum A.

You are hereby granted a Tijon Fragrance Lab Franchise, a Retail Store in a standalone commercial structure, a
strip shopping center or a mall;

Franchisee is granted the right to operate a retail perfumery selling a wide variety of custom
perfumes and colognes In addition, Franchisee will offer customers entertaining perfume-making
classes in a variety of workshops in the store or offsite within its protected territory pursuant to
Tijon's Trade Secrets which is described in detail in Tijon's Operations Manual.

The term "franchise" as used herein shall mean either the right, license or privilege so granted
hereunder, or the business to be operated by Franchisee, or both, as the context would so dictate.

Franchisee acknowledges that it has no rights to use any of the Marks or any part of the
franchised system anywhere other than from sites within Franchisee's Protected Territory described



herein, and Franchisor may license to others, or use the Marks itself, outside of the franchisee's Protected geographical Territory in any manner it chooses, in its sole discretion.

So long as Franchisee is in full compliance with this Agreement, Franchisor will not establish other site-based franchises or company-owned businesses operating a perfumery retailing perfumes and colognes and providing perfume-making classes, under the Tijon Fragrance Lab marks or under a different trade name or trademark in Franchisee's Protected Territory. Franchisor retains the right to sell the rights to use the Tijon Fragrance Lab name for other uses in any area outside of franchisee's Protected Territory.

B. Subject to availability, Franchisee may purchase additional franchises operating under the same business model, at a rate of eighty-five percent (85%) of the rate being charged new franchisees at the time of Franchisee's purchase, if Franchisee is in compliance with the terms of this agreement and any other agreements between the Franchisor and the Franchisee.

2. SITE SELECTION AND PROTECTED TERRITORY

The Franchisee must operate this business from a commercial site which has been accepted by the Franchisor in writing and that are in compliance with local business codes and within the Franchisee's Protected Area which is defined in Addendum A.

Franchisee is free to market Tijon Fragrance Lab products and teach classes only within its Protected Territory. The franchisee must operate from one site (approved by the Franchisor) which is dedicated to retailing Tijon perfumes and teaching classes in how perfumes are created. Franchisee may also offer classes and retail sales off site but within its Protected Territory provided that site is not a permanent location of Tijon. Franchisee may not, unless in conjunction with other Tijon Fragrance Lab Franchisees, advertise in telephone, internet or similar directories that target areas outside of Franchisee's Protected Territory nor establish mailing addresses for the Tijon Fragrance Lab or make other representations to potential clients that would lead others to believe that Franchisee has facilities or authorization to operate outside of its Protected Territory. However, Franchisee may geographically advertise electronically (internet, social media, et al) as Franchisee deems appropriate.

3. INITIAL FRANCHISE FEE AND RELATED CHARGES

In consideration of the franchise and rights granted to Franchisee herein, Franchisee shall pay to Franchisor an Initial Franchise Fee of \$29,750 for the rights to open one Tijon Fragrance Lab Franchise within the Protected Territory as defined in Addendum A. Payment of this fee must be made in a lump sum when Franchisee signs this Agreement. Fees shall be deemed earned and non-refundable upon payment.

4. OBLIGATIONS OF THE FRANCHISOR

Franchisor hereby agrees to do the following:



A. Training. Franchisor will conduct or arrange for the following training programs for Franchisee:

(i) "Tijon Fragrance Lab Academy" This 5-day long program covers basic management and operation of a Tijon Fragrance Lab business and is conducted at the Tijon location in New Orleans, LA or other locations as determined by the Franchisor. Only Franchise owner(s) and Franchise General Managers may attend this program. Franchise General Managers shall not function in such capacity without having successfully completed such training program within thirty (30) days of hire or engagement. "Franchise owner(s)" shall mean partners, principal shareholders, officers, members or proprietors of the Franchise, as the case may be, according to the type of franchise business organization. The training program must be successfully completed prior to commencement of the franchise business. Failure by Franchisee (or its designee) to successfully complete such program may result in termination of this Franchise Agreement. Each Franchisee shall have the right to enroll two (2) people in this school at no additional charge. The fee for training more than two owners or managers is currently \$1,500 per attendee, but both fees are subject to change.

The duration, location and content of the training programs are established by the Franchisor and may be modified, including any fees, in the sole discretion of the Franchisor. If Franchisee seeks to have additional managers trained in excess of the limits stated above, they must be approved by Franchisor and the applicable training fees must be paid in advance. Travel, accommodations, payroll, worker's compensation insurance and related expenses for all persons attending any of Franchisor's training courses shall be borne solely by Franchisee.

(ii) Advisory Service. Franchisor will provide a continuing advisory service which will include, but not be limited to, training in retailing, classroom teaching techniques, consultation on supplies and inventory selection, sales, marketing, business or technical problems with an analysis of Franchisee's key business ratios. Franchisor may offer additional training and establish prerequisites or qualifications for those seeking to enroll in any such additional training course. Franchisor may furnish Franchisee with certain training aids for Franchisee to provide basic training to Franchisee's personnel without charge.

(iii) If Franchisor deems it appropriate, it may provide a competency examination to test the knowledge and skills in any of the above areas of expertise. A candidate passing such an examination will have all rights and privileges as those who have successfully completed the related training program.

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B. Operations Material. Franchisor will make available, at no additional cost to Franchisee, its confidential Operations Manuals and training material together with any revisions or amendments thereto which may be made by Franchisor from time to time during the term of this Agreement. Franchisor will maintain a proprietary learning system and provide access to said system for Franchisee, its staff and qualified students. Franchisor will regularly review new products, and services for Franchisee to deliver to its customers. When a sufficient number of Franchises are in operation, Franchisor will hold an annual convention for all Franchisees to attend in order to gain additional knowledge in the industry. Franchisee may be charged a fee to attend said convention and will be responsible for travel and lodging expenses while attending such conferences.

C. Approved Products. Any materials, chemicals, containers, curricula, teaching materials or other products that are used within the Franchisee's business or sold to customers, if not provided by Franchisor must be approved by Franchisor, in writing, before use.

D. Site Selection. Subject to Section 2, Franchisee shall be responsible for researching its local market to find one or more potential sites for its Tijon franchise on criteria as established by Franchisor. Franchisor will advise Franchisee in the selection of a suitable territory, determining the best site for the business, and provide lists of approved equipment, teaching aids, and supplies for the franchised business. Whether Franchisee chooses to own or rent from others, Franchisor will review details of the location as to suitability and accept or not accept the chosen site within 20 days of notification of Franchisee's preference. The ultimate decision of where to locate its Tijon Fragrance Lab business is the responsibility of Franchisee and the Franchisor may not be held liable for a site that is ultimately unsuccessful. Franchisee is responsible for researching local ordinances and building codes.

E. Promotion. Subject to this Agreement, Franchisor agrees to provide advice and training in methods for selling, advertising, promoting and developing the franchised business. From time-to-time Franchisor may develop marketing materials and newsletters to assist Franchisee in promoting its Tijon Fragrance Lab products and services. Samples of such materials will be given to Franchisee and additional quantities may be purchased from the Franchisor or other vendors. If the Franchisor elects to establish an Advertising Fee, it will assist those charged with administering the Fee with developing advertising promotions and materials.

F. Website Customization. Franchisor will add Franchisee's contact information to Franchisor's website a minimum of 15 days prior to the date scheduled by Franchisee to open for business. Franchisee is prohibited from establishing its own website utilizing the Tijon mark nor may it establish Tijon social media accounts without Franchisor's written permission.

5. OBLIGATIONS OF THE FRANCHISEE

A. Training. Pursuant to Sections 4A, Franchisee agrees to attend and cause its designated General Management employee(s) to attend and successfully complete the training programs referred to in Section 4A, in accordance with all of the terms and conditions set forth therein.

B. Development of the Franchise Site, Commencement and Continuity of Operation. Franchisee agrees to complete its initial training and open its franchise business within 180 days from the date this Franchise Agreement is signed. Should Franchisee be unable to meet this deadline,

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Franchisor may grant a 90-day extension if Franchisee submits a written request and includes a satisfactory explanation and provides a target date to complete training and open.

Franchisee agrees at its expense, to do or cause to be done the following within 180 days following the Effective Date of this Agreement:

- i. Deliver the proposed lease with landlord's acceptance of Collateral Assignment of Lease (Addendum F) and other requirements as contained in the Operations Manual for Franchisor's written approval prior to entering into a lease for the site.
- ii. Secure all financing required to develop and operate the business;
- iii. Obtain all necessary insurance as outlined in Section 5 (L);
- iv. Obtain all permits and licenses required to construct and operate the business;
- v. Construct, or have constructed, all required improvements to the site and decorate the business in compliance with our approved plans, trade dress, and specifications;
- vi. Purchase or lease and install all required equipment, fixtures, furnishings, and signs according to Confidential Operations Manual;
- vii. Purchase or lease and install an appropriate Business Software Management System;
- viii. Purchase an opening inventory of required, authorized, and approved products, materials and supplies;
- ix. Obtain a certificate of occupancy from the city/county/state, as required by Franchisee's jurisdiction.
- x. Open the Franchised business, commence operations and continuously operate the franchised business as outlined in Section 5B.

It is Franchisee's responsibility to prepare all required construction plans and specifications for the business only in accordance with our approved plans and specifications, and to make sure that these plans and specifications comply with the Americans with Disabilities Act (the "ADA") and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. Franchisor may require Franchisee to use architects and contractors designated or approved by us. Franchisee must send Franchisor initial space plans for approval. Once Franchisor approves the initial space plans in writing, Franchisee must provide Franchisor with complete space plans, architectural drawings, construction plans and specification for review and then receive Franchisor's written approval of them before beginning construction of the business. Franchisee must also

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send Franchisor all revised plans and specifications, including any additions or substitutions, for Franchisor's review and written approval. Franchisee may not begin construction of its business without written approval from Franchisor. Franchisor may inspect the site while Franchisee is developing the business. Any review of the construction plans and specifications will be limited to ensuring Franchisee's compliance with Franchisor's design and other requirements for a Tijon Fragrance Lab. Franchisor will not assess compliance with federal, state or local laws and regulations. Compliance with those laws is the Franchisee's responsibility. Any changes that Franchisee makes to the space plans, architectural drawings, construction plans or specifications to comply with applicable laws must be provided to Franchisor for review and written approval.

Once Franchise operations commence, Franchisee agrees to ensure that its phones are answered, either by an employee or electronically during normal business hours. Further, the owner(s) of the Franchise agree(s) to devote his or her full time and efforts to the promotion of the franchise or to have a General Manager devote his or her full time and efforts to the promotion of the success of the franchise. In such latter event, such General Manager must have completed successfully the training courses described in Section 4A.

Franchisee agrees to notify Franchisor 10 days in advance of any planned closings of the business and within 24 hours of the start of any emergency closings. Failure to communicate reasons and duration for closings may cause the Franchise to be deemed abandoned and suitable remedies may be commenced by Franchisor. In all circumstances, Franchisee agrees to make every reasonable effort to ensure that the Franchise's phones are answered, any scheduled classes are taught, if possible, and inquiries of clients are handled promptly with a lapse of no more than 1 business day.

C. Proprietary Marks.

(i) Franchisee agrees to use the Proprietary Marks so licensed only in accordance with the terms of this Agreement. Franchisee agrees that during the term of this Agreement, and thereafter, Franchisee shall not, directly nor indirectly, contest the validity of ownership by Franchisor of the Proprietary Marks so licensed hereunder. Franchisee further agrees promptly to notify Franchisor of any claim, demand or suit brought upon it by any other person, firm or corporation to use the Proprietary Marks licensed hereunder.

(ii) Franchisor acknowledges its obligations to police the use of the Proprietary Marks and agrees to do so. Franchisee agrees promptly to notify Franchisor of any claim asserted by any person, firm, corporation or governmental agency against Franchisee, concerning the use of the Proprietary Marks. The Franchisor will protect Franchisee's right to use the Proprietary Marks and will defend Franchisee from any claims arising out of Franchisee's proper use of the Proprietary Marks. Franchisee agrees to execute, subject to the reasonable approval of counsel for Franchisee, any and all documents and do such acts and things as may, in the opinion of counsel for Franchisor, be necessary to carry out such defense or prosecution, either in the name of Franchisor or in the name of Franchisee, as Franchisor shall, in its sole discretion, determine.

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(iii) Franchisee shall not use the Proprietary Marks or any part or form thereof as part of its corporate, partnership, or other business name. Franchisee agrees to obtain the written approval of Franchisor for said name before opening its franchise office and before commencing operations. Franchisee agrees not to use the Proprietary Marks in entering into any agreement or contract of any description, or in incurring any obligation, it being understood that Franchisee is only to use its corporate, partnership or proprietorship name for this purpose. Nothing herein contained shall prevent Franchisee from identifying itself as a Tijon Fragrance Lab franchisee as specified in Franchisor's confidential Operating Manuals. The use of the Franchisor's Proprietary Marks for operating its Tijon Fragrance Lab business, for Internet promotion, for business cards and stationery is exemplified in the Franchisor's Operations Manual and Franchisee agrees in so using said Marks to follow exactly the examples and format as set forth in the manuals or in any like materials provided by Franchisor.

(iv) Franchisee agrees to operate, advertise and promote the franchised business under the Proprietary Marks and to carry out its business under said Proprietary Marks in accordance with operational standards established by Franchisor as set forth in the Confidential Operating Manuals or other documents. Franchisee agrees to promote the mark "Tijon Fragrance Lab," "Tijon St. Martin," and / or "Tijon" and others instituted from time to time, in all publications, printing, signs and visual images by reproducing said name at least two point sizes larger than any listing of its corporate, partnership, or proprietorship name. Franchisee further agrees to use no type style, color combination nor other graphic device to cause its business name, or any other name or design, to gain dominance over the "Tijon Fragrance Lab" name or any Proprietary Marks utilized.

(v) Franchisee agrees to allow Franchisor, in the sole discretion of Franchisor, to enter and inspect the Franchisee's premises, and to observe the manner in which Franchisee is operating its Tijon Fragrance Lab retail business and teaching its classes, it being understood that such rights are important to Franchisor to preserve the integrity of its Proprietary Marks and to make certain that the Franchisee is properly using said Proprietary Marks in the operation of its franchise business.

(vi) Franchisee understands and acknowledges that each and every detail of the Tijon Fragrance Lab system, some of which is contained in the Trade Secrets section of the Tijon Manuals, is important to Franchisor, to Franchisee, and to other licensed Franchisees In order to develop and maintain uniformity of services, products, and applications, and therefore, to enhance the reputation, trade demand and goodwill of all Tijon Fragrance Lab Franchisees, Franchisee accordingly covenants:

(a) to advertise and promote his/her franchise under the name "Tijon" or "Tijon Fragrance Lab" or subsequent operating names as instructed by Franchisor's Operations Manuals, except where otherwise required by law.

(b) to operate the business in and to the detail provided by Franchisor as its Trade Secrets.

(c) to adopt and use the Proprietary Marks licensed hereunder solely in the manner prescribed by Franchisor; and

(d) to carry out its business under said Proprietary Marks in accordance with operational standards established by Franchisor, and as set forth in the confidential operating manuals and/or other documents.



(e) to use the Marks on the Internet, and in domain names for the Internet, only under the listings established by Tijon Fragrance Lab as described in the confidential operating manuals and/or other documents.

(vii) Franchisee acknowledges that valuable goodwill is attached to Franchisor's trademarks, service marks, trade names, and/or copyrights and that it will use them only in the manner and to the extent specifically licensed by this Agreement.

D. Operations.

(i) Franchisee agrees to conduct its franchise in accordance with Franchisor's Confidential Operating Manuals and its Trade Secrets as provided, as the same may be revised from time to time. Franchisee further agrees to treat at all times the contents of said manuals and Trade Secrets as confidential and to reproduce or copy parts thereof only as instructed therein or as otherwise approved by Franchisor. Franchisee and Franchise Owner(s) shall not at any time, either during the term of this Agreement or thereafter, disclose, copy, duplicate, record or otherwise reproduce, in whole or in part, or otherwise make available, any portion of said manuals or confidential information to any unauthorized person or entity. All management personnel shall execute a Non-Disclosure Agreement similar to that attached as Addendum I, the Sample Non-Disclosure and Non-Competition Provisions for General Managers.

(ii) Franchisee acknowledges that said manuals shall at all times remain the sole property of Franchisor, and Franchisee agrees to promptly deliver, neither expecting nor demanding any fees, said manuals and training materials of Franchisor to Franchisor or its designee upon the expiration or other termination of this Agreement.

E. Standards of Quality.

(i) Franchisee agrees to market, sell, train, deliver and operate in its local marketplace, under the Tijon Fragrance Lab name, in such manner as may be determined by Franchisor, the retail sale of Tijon perfumes and the providing of instructive classes in the creation of various fragrances and only such similar services or products, as will meet the reasonable specifications and standards from time to time designated by Franchisor. Franchisee agrees not to conduct any other business or activity utilizing the same location, equipment, or personnel.

(ii) Franchisee is required to utilize Franchisor's approved supplies, inventory, lesson plans, and equipment as described in Franchisor's Operations Manuals in the conduct of its business and to purchase supplies, inventory, equipment and materials used in the business from the Franchisor or suppliers approved by Franchisor or from others who provide items of similar quality. Franchisee is not required to purchase business cards, stationery, brochures or similar items from Franchisor, but the quality of such items must comply with the standards and specifications therefor of Franchisor. Franchisor will provide said quality standards and specifications to Franchisee during initial training.

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F. Modification.

Franchisee agrees to operate its franchise using Franchisor's Proprietary Marks, copyrighted materials, and business techniques as existing upon execution of this Agreement. Franchisor may reasonably modify same during the term of this Agreement.

Any changes or modifications to be made to the franchised business as a result of any such modification or development of any of the Proprietary Marks, copyrighted materials, products, equipment or techniques shall be made by Franchisee within two (2) months time after their modification or development at the Franchisee's expense. If Franchisee must modify or discontinue the use of a trademark as a result of changes made by the Franchisor, Franchisor will reimburse Franchisee for its tangible costs of such changes that exceed \$5,000. Any such reimbursed expenses must be pre-approved by the Franchisor.

G. Advertising.

(i) Franchisee agrees to submit to Franchisor for its prior written approval all sales promotion materials and advertising to be used by Franchisee to promote its services, including, but not limited to, signs, website, social media, newspaper, newsletter, video, email promotion, text messages, poster, internet, direct mail, radio and television advertising, specialty and novelty items, stationery and business cards. However, any advertising need not be submitted for the Franchisor's approval if it is prepared in accordance with the Confidential Operations Manuals. Unless written disapproval of said advertising and promotional material is received by Franchisee from Franchisor within 15 days from the date such material is submitted to and received by Franchisor, said material shall be considered approved.

(ii) Franchisee agrees to use the Proprietary Marks in advertising in accordance with the terms of the confidential operating manuals of Franchisor. Examples of advertising contained in such manuals are deemed approved unless otherwise stated in writing by Franchisor.

(iii) Franchisee agrees to execute Franchisor's Grand Opening Advertising program as described in Franchisor's Operations Manuals.

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H. Accounting and Records.

(i) Franchisee agrees to maintain and preserve during the term of the franchise (and for three years thereafter) full, complete and accurate books of account and records of all transactions including receipts, expenses, capital expenses and investments. Franchisee shall submit to Franchisor periodic reports on forms in the manner and at the times specified herein. The required reports as of the date of this Agreement are as follows:

REPORT	TIME TO SUBMIT
Royalty Report	On or before the 10 th day of the following month
Advertising Fee Report (when in effect)	On or before the 10 th day of the following month
Online Access to Accounting and Point of Sale Software	24/7 through Internet Access to Franchisee's Accounting software and computer databases
Monthly Profit and Loss Statement, and Balance Sheet	On or before the 20 th of the following month
Annual Profit & Loss Statement, Balance Sheet, and Tax Returns of the Franchised Business	On or before the 60 th day following Franchisee's Fiscal Year End

(ii) All records, ledgers and other documents of the franchised business shall be made available for audit or inspection by Franchisor (or its designee) during normal business hours upon reasonable notice by Franchisor or its designee. If Franchisee fails or refuses to permit such an audit or inspection, Franchisee agrees to pay Franchisor its expenses incurred in connection with such attempted inspection or audit.

(iii) Franchisor may cause an audit to be conducted on the books and records of Franchisee by a qualified party chosen by Franchisor. If the audit was performed due to the Franchisee's failure to report total gross receipts or provide other reports or tax returns as required above or if the audit establishes that Franchisee understated total gross receipts (as defined in Section 6A) to Franchisor for any period by more than three per cent (3%) of the amount of actual total gross receipts, Franchisee shall pay for the cost of the audit, and shall pay as liquidated damages a sum equal to 15% of the additional Royalty Fees due for the period so audited. Any unpaid royalties revealed by such an audit shall bear interest at a rate of 18% per annum from the date payment was due. Payments for such fees, including the unpaid royalty, must be received by Franchisor within three (3) days of the date that Franchisee receives written notice that such payments are due to avoid further penalties, interest and possible termination. Franchisee shall maintain the funds, books and records of the franchised business separate from and independent of all other funds, business and personal records of Franchisee and franchise owner(s). If there is any commingling of such funds or books and records, then Franchisor's rights of audit and inspection granted hereunder also shall apply to such other business and personal records (including banking and financial information) of Franchisee and franchise owner(s).

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I. Insurance.

Franchisee, at Franchisee's sole expense, agrees to maintain adequate insurance and indemnity coverage throughout the term of this agreement and any extension thereof with an insurance carrier having an A VIII or better rating with the Alfred M. Best & Company, Inc. Franchisee acknowledges that this requirement shall in no way be construed as making Franchisee the agent of Franchisor. Franchisee agrees to provide the following coverages (insurance limits specified are minimum recommended limits and are subject to change from time to time) and in connection therewith to identify the Franchisor as a named insured to the extent of its interest:

1. Comprehensive blanket general public liability insurance, including abuse and molestation, and product liability insurance to be maintained against claims for personal injury, death or property damage suffered by others upon, in or about the premises or occurring as a result of the actions or inactions of any employee, independent contractor, or agent or as a result of the use of the services rendered by it or any claims arising out of the Business pursuant to this Agreement or the operation of the Tijon Fragrance Lab business with a single bodily injury and property damage limit of at least \$1,000,000, per occurrence and \$2,000,000 in the aggregate;
2. Coverage for fire, vandalism, theft, burglary liability with limits of not less than ninety percent (90%) of the replacement value of Franchisee's leasehold improvements, furniture, fixtures, equipment, and inventory.
3. Workers' compensation insurance coverage (when required) offering Benefits per State requirements for injured Employees; and Employers Liability Limit of \$100,000 per Injury, \$500,000 Policy Limit and \$100,000 Per Employee;
4. Automobile liability for owned, leased, hired and non-owned vehicles with recommended limits of at least \$1,000,000 combined single limit per state Medical/Personal Injury Protection and \$1,000,000 Uninsured/Underinsured Motorist;
5. Any and all bonds required by state law.

Prior to the opening of the franchise business, Franchisee shall deliver to Franchisor certificates or policies evidencing that such insurance is in full force and effect, and each year during the term of this Agreement, upon Franchisor's request, Franchisee shall furnish to Franchisor premium receipts or other satisfactory evidence that such policies have continued in effect. Should Franchisee fail to maintain the required insurance, or furnish proof thereof, the Franchisor has the option to obtain such insurance for the Franchisee at the sole cost of the Franchisee. Franchisee shall promptly notify Franchisor of any and all claims under said policies of insurance against Franchisee, Franchisor and/or employees or agents of either.

J. Taxes, Payments and Compliance with Law.

(i) Franchisee shall promptly pay when due all taxes and assessments in connection with Franchisee's business, its premises, and equipment; shall cause to be immediately discharged all liens or encumbrances of every kind or character created or placed upon or against any of said property other than in

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the normal course of business; and shall pay when due all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of said Franchise. Franchisee is not obligated to make payments hereunder if Franchisee is legitimately contesting such taxes, assessments, liens, encumbrances, accounts or indebtedness; however, Franchisee shall promptly pay such items once they do become finally uncontested and determined.

(ii) Franchisee shall comply with all applicable federal, state and local laws and regulations, and shall obtain and maintain on a timely basis any and all permits, certificates, bonds, or licenses necessary for the full and proper conduct of its franchise. This shall include, but not be limited to, any business, or other licenses required by the laws of any applicable jurisdiction.

K. Maintenance, Repairs, and Refurbishment

(i) Franchisee must maintain the interior and exterior of its Tijon Fragrance Lab premises, equipment, fixtures, signs and furnishings in conformity with the then current standards for each as described in the Operations Manuals and Franchisee must make repairs and replacements as may be required by us. All such repairs and changes must be commenced by Franchisee within sixty (60) days after notice from Franchisor and proceed with due diligence until complete.

In addition, Franchisee must agree:

a. to keep Franchisee's business, retail space and classrooms in a high degree of safety, repair, order, and condition, including, without limitation, such periodic repainting of the exterior and interior of the business, and perform such maintenance and repairs to all equipment, fixtures, furnishings, uniforms, and signs as we may reasonably request;

b. to meet and maintain at all times at least the minimum governmental standards and ratings applicable to the operation of the business;

c. to cause Franchisee's employees to wear apparel which conforms to the specifications, design, color and style approved by Franchisor from time to time; and

d. to assure that all vehicles used in the course of business shall be in good repair, shall at least meet minimum governmental standards for safety if owned or leased by Franchisee, and shall be operated solely by persons who are properly licensed to operate such vehicles, and who shall obey all traffic laws and otherwise operate such vehicles in a safe manner.

(ii) Franchisee must refurbish or replace Franchisee's equipment, supplies, and training materials in order to maintain a modern, safe, sanitary and uniform image throughout Franchisee's Tijon Fragrance Lab business. After Franchisee's business has been open for three years, and on each three-year anniversary thereafter, Franchisee must refurbish or replace Franchisee's equipment, decor, signage, and furnishings and bring Franchisee's business into compliance with then current standards for new Tijon Fragrance Lab businesses. Franchisee must complete such remodeling, repairs, replacements and redecoration within four months from the date refurbishment notice is forwarded to Franchisee by Franchisor. If Franchisee fails to meet this

Initials

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deadline, we have the right to engage contractors or vendors to make these changes and bill Franchisee for their work plus a fifteen percent (15%) management fee for overseeing the process.

L. Lease Assignment.

(i) Upon the expiration or the termination of this Franchise Agreement for any reason, Franchisor shall have the right and option to take an assignment of any commercial lease on the premises of Franchisee herein, without compensation to Franchisee. (See Addendum G: Collateral Assignment of Lease) Franchisor shall also have the right, under those circumstances, to purchase some or all of the equipment and other personal property located at the business, as provided in Paragraph 10 of this Franchise Agreement.

(ii) Any lease entered into by Franchisee for a site to operate the business must contain provisions which provide that the landlord agrees to furnish Franchisor with any and all written notices of default concurrently with the giving of such notice to Franchisee and that Franchisor shall have the right (but not the obligation) to cure any said default according to the terms of the lease, and that the lease may be assigned to Franchisor or its designee and that landlord will consent to such assignment without imposing any assignment or transfer fee upon termination or expiration of this agreement or any a breach of the lease by the Franchisee.

M. Management Information Systems.

Franchisee shall install, update, maintain, pay for, and use exclusively for all operations in the Franchise Business those information and management systems specified from time to time by Franchisor. Franchisee acknowledges and agrees that Franchisor owns any and all customer lists and their contents that Franchisee may develop during the normal course of operating the Franchised Business. Franchisee promises to keep an up-to-date list of all active and inactive customers in the Management Software Solution, including each customer's name, telephone number, email address, complete postal mailing address, frequency of service, last date serviced and price of service or contract. The current software allows the Franchisor continuously and without limitation to download the customer list. However, from time to time Franchisor may request, and Franchisee agrees to make available to Franchisor, within 3 business days, and upon request, an electronic copy, or in a form approved by Franchisor, a copy of the complete database, including a complete list of active and inactive customers (from the prior three years), including their name, telephone number, email address, complete postal mailing address, frequency of service, last date serviced, and price of service, and other information concerning the customers as requested, which Franchisor may access without limitation. Franchisee promises not to use any customer list for any purpose other than in the normal operation of the Franchised Business without prior written approval of Franchisor, and Franchisee may not sell that list or any information regarding customers to any third party without the express prior consent of the Franchisor. Franchisor agrees to not make the customer list available to any third or related party, except only those agents of Franchisor acting in an audit or marketing capacity as provided for in Section 5H of this Agreement. Franchisor reserves the right to communicate with people on the customer list.

N. Information Security.

Franchisee must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card

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information, biometric or health data, government-issued identification numbers and credit report information (“Personal Information”) in accordance with applicable law and industry best practices. It is entirely Franchisee’s responsibility (even if Franchisor provides Franchisee assistance or guidance in that regard) to confirm that the safeguards Franchisee uses to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately and specify the extent to which Personal Information was compromised and disclosed. Franchisee shall indemnify, defend and hold the Franchisor harmless from any claims arising from the breach of security or unauthorized access involving Personal Information of the Franchisee.

O. Public Notification.

In all advertising displays and materials distributed off site and at the Premises, Franchisee shall, in such form and manner as may be specified in the Confidential Operations Manual, notify the public that Franchisee independently owns and operates the Franchise Business, and that Franchisee is operating the business licensed hereunder as a franchisee of Franchisor, as an independent contractor, and not as an agent, representative or employee of Franchisor, and shall identify its business location in the manner specified in the Confidential Operations Manual. Franchisee shall otherwise take such action as may be necessary to hold itself out to the public as an independent contractor. Further, at the request of Franchisor, the Franchisee shall display, or otherwise make available literature provided by Franchisor relating to the availability of Tijon Fragrance Lab franchises as supplied by Franchisor and at such location(s) as directed by the Franchisor from time to time.

P. Telephone Number and Related Items.

Franchisee shall execute and deliver to Franchisor a form of assignment of telephone numbers and listings required by the applicable local or other telephone company(s) or such other form of assignment as Franchisor shall prescribe (the “Assignment of Telephone Numbers and Listings”) prior to the commencement of use of such number(s). See Addendum G. Franchisee acknowledges and agrees that the telephone company and all listing services may accept this Agreement or the Assignment of Telephone Numbers and Listings as conclusive evidence of Franchisor’s exclusive right in such telephone numbers and listings and its authority to direct their transfer. Franchisee shall be solely responsible for all fees, charges and costs attributable to the Telephone Numbers and Listings until such time, if any, as Franchisor effectuates the Assignment of Telephone Numbers and Listings pursuant to Franchisee’s Post Term Obligations.

Franchisee shall immediately notify the telephone company providing service to the Franchisee and all telephone directory publishers of the termination or expiration of Franchisee’s right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark, and to authorize transfer thereof to Franchisor at its direction. Franchisee acknowledges that, as between it and Franchisor, Franchisor has the sole rights to and interest in all telephone numbers and directory and internet listings associated with the Mark. Franchisee authorizes Franchisor, and hereby appoints Franchisor and any of its officers as Franchisee’s attorney in fact, to direct the telephone company providing service to the Franchisee and all telephone directory publishers to transfer any telephone numbers and directory listings to Franchisor at its direction, should Franchisee fail or refuse to do so. The telephone company providing such service and all

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telephone directory publishers may accept such direction or this Agreement as conclusive proof of Franchisor's exclusive rights in such telephone numbers and directory and internet listings and Franchisor's authority to direct their transfer.

Franchisee shall not authorize or allow calls made to the above referenced telephone numbers to be transferred or redirected to any other number, or directory inquiries regarding numbers of the Franchise Business to be referred to any other Business.

6. FEES

In addition to fees specified in other sections of this Agreement, the Franchisee shall be responsible for the payment of the following fees, under the terms and conditions hereinafter set forth with the exception of Commissions which is to be paid by Franchisor to Franchisee:

A. Franchisee Royalty Fees.

Franchisees shall pay to Franchisor a Royalty Fee, equal to Six Percent (6%) of Total Gross Receipts received from customers of the franchised business.

The term "Total Gross Receipts" shall mean the total amount of all revenues paid to the Franchisee, its agents and its employees, from the sale of all services or products under the Tigon Fragrance Lab mark, and from any other sources of revenue, including the sale of gift certificates, derived from the operation of the franchised business. If a payment or fee is received in the form of merchandise or services, the fair market value of the merchandise or services shall be used in determining the Royalty Fee, and payment shall be made to Franchisor in cash accordingly. The term "Total Gross Receipts" shall exclude any sales taxes that may be levied.

(i) Payment of the Royalty Fee Franchisees shall be made to the Franchisor monthly by the tenth day of the month following the month in which the revenues were received. Franchisee shall make arrangements with its banking institution to permit Franchisor to debit Franchisee's banking account based on Franchisee's monthly Royalty Report (a summary of revenues collected) that shall be submitted electronically, by email or fax, as specified from time to time by Franchisor. (See Addendum F: Current Bank Authorization Form).

(ii) In the event Franchisee fails to pay any Royalty Fee within seven (7) days after it is due, then Franchisee shall pay a late fee of \$50 plus interest on the amount due at the lesser rate of one and one-half percent (1½%) per month or the maximum rate permitted by applicable law for each month that said amount is not paid, but in no event shall Franchisee be compelled to pay interest or fees at a rate greater than the maximum permitted by applicable law.

(iii) In the event Franchisee fails to submit Royalty Reports in a timely manner to permit Franchisor to debit Franchisee's bank accounts for the proper fee, Franchisor will have the right to estimate the amount due and debit Franchisee's account for that amount, making adjustments in subsequent debits to correct any inaccuracy. Franchisor shall be entitled, but not required, to base estimated Royalties on the average of the three preceding month's Royalty payments.



B. Commissions

Reorder sales of a regular sized custom fragrance product made through Franchisor's website from Franchisee's designated customers will result in a forty percent (40%) commission to Franchisee paid after deductions for credit card processing and shipping and handling fees. Franchisor shall pay commissions due Franchisee on or before the 10^h day of each month sums reflecting sales through the last day of the prior month. Franchisor retains the right to withhold any amounts owed to it by Franchisee that is more than 3 days past due.

C. Website and Social Media Fee

Franchisee shall pay to Franchisor a fee of \$100 monthly toward the maintenance of the Tijon website and various corporate social media accounts. This fee shall be due at the same time as the monthly royalty fee.

D. Advertising Fee

The Franchisor reserves the right to require the Franchisee to pay up to two percent (2%) of Total Gross Receipts as an Advertising Fee that will be used to promote the Tijon Fragrance Lab name in the marketplace, with the exact amount to be specified by the Franchisor. Franchisor agrees not to collect Advertising Fees until a minimum of twenty-five (25) Franchises are open for business and Franchisor will give 60 days written notice before implementation and collection of fees. When instituted, the Franchisee shall pay the amount due annually, by the tenth day of the year following the year in which the revenues were received, paid in the same manner as the Royalties. The Franchisor will spend these monies on national, regional, or local media, or to develop advertising media for use in local markets or other marketing techniques or programs designed to promote the sales of Tijon Fragrance Lab Franchisees' products and services to the public. These fees may also be expended by Franchisor for market research and development, test or target marketing, creative and production costs, public relations, the conducting of surveys, reimbursement to Franchisor for reasonable accounting, administrative, and legal expenses associated with the Advertising Fee, or for other purposes deemed appropriate to enhance, promote and defend the Franchisor's trademarks. Franchisor will make available to Franchisee annual reports of payments made from the Advertising Fee Account and will solicit commentary regarding future expenditures. The Franchisor's staff will manage the Ad Fee Account and will budget and spend monies in the Advertising Fee Account in ways that they deem appropriate after receiving guidance from a Committee of Franchise Owners and the Franchisor. Franchisor will not co-mingle Advertising Fees with other funds or accounts.

At such time, if ever, that an Advertising Fee is implemented, Franchisor's Affiliate(s) will contribute two percent (2%) of their Total Gross Receipts from Retail Sales (or any lower system-wide rate which is identical to that paid by franchisees) of their Tijon Fragrance Lab business(s) operating units to the Advertising Fee Account.

Franchisees also agree to advertise in their Protected Territories, using the Franchisor's Service Mark and Logo, and using advertising copy approved by the Franchisor. The Franchisee agrees to spend a minimum of 5% of total gross receipts on local advertising each month, or \$500, whichever is greater. The Franchisee agrees to make reports as the Franchisor may require to verify such expenditures within 15 days from the end of each month for the preceding month. Franchisor reserves the right to require Franchisee to join a local advertising cooperative, if one is established in Franchisee's area, and any amount contributed by Franchisee to the cooperative will count against the local advertising requirement.



7. INDEPENDENT CONTRACTOR

A. It is agreed that, for all purposes, Franchisee shall be considered an independent contractor, and not an employee, agent, legal representative, joint venturer, partner or servant of Franchisor. Franchisee shall not make any contract, agreement, warranty, or representation on behalf of Franchisor nor as Tijon Fragrance Lab, nor bind Franchisor to any obligation, nor hold itself out as an agent of Franchisor and shall effectively communicate to third parties, Franchisee's individual, corporate or business name and status, in addition to the fact that Franchisee is a licensee of Franchisor. Franchisee is solely responsible for its own hiring and employment practices and will defend and indemnify Franchisor from any claims arising out of such activity. Franchisee agrees to comply with all National, State and Local laws and ordinances.

B. Franchisee shall indemnify, defend and hold Franchisor harmless from and against any and all claims of any sort whatsoever, arising in any way out of Franchisee's ownership and operation of the Franchised Business.

8. TERM

A. This Agreement shall be effective and binding from the date of its execution. The term of this franchise shall expire ten (10) years from such date.

B. At the end of said term, Franchisee may renew this Franchise for additional ten (10) year terms so long as the following conditions are satisfied:

1. Franchisee has complied substantially with its obligations hereunder during the term and is then in compliance with such obligations at time of giving notice and at time of renewal;

2. Franchisee has given Franchisor written notice of its election to renew at least ninety (90) but not more than one hundred eighty (180) days prior to expiration of the initial term;

3. The Franchisee signs the new Franchise Agreement then in effect, such other companion agreements as the Franchisor then requires of all Franchisees and the Franchisee signs a general release of the Franchisor from all claims;

4. A renewal fee of ten percent (10%) of the Initial Franchise Fee being charged new franchisees for a comparable territory at the time of the renewal shall be paid to the Franchisor at least 30 days before expiration of this agreement. No new initial franchise fee will be charged to Franchisee upon such renewal or renewals.

5. Any commercial facility used by the business, equipment, decor, signage, and furnishings must be brought into compliance with then current standards for new Tijon Fragrance Lab businesses.

Upon renewal and execution of a new Franchise Agreement, royalties, advertising fees or other fees and charges will be based on the then current charges of the Franchisor under Franchise Agreements then being granted. Franchisee's Protected Territory will remain the same. Franchisor is not restricted in its right to change other significant provisions of the previously existing Franchise Agreement, other agreements or documents.

9. TERMINATION AND DEFAULT



A. Franchisee may not terminate this Agreement during its term but may decline to renew the Agreement at the end of any 10-year term.

B. Franchisor has the right to cancel, terminate, or refuse to renew this Agreement for the following reasons (in addition to other rights and remedies it may have) without any refund of any portion of the Franchise Fee:

1. If Franchisee fails, refuses, or neglects promptly to pay to Franchisor any money owing to Franchisor on the date due.

2. If Franchisee fails to submit required reports or financial data in a timely manner.

3. If Franchisee defaults in the performance under this Franchise Agreement, a loan, open account billing, contract assignment, or under any other Agreement with, or obligation to, Franchisor, or if Franchisee fails to comply with guidelines, policies and requirements imposed upon it by this Agreement, by the Operations Manual, or by such other operational memoranda issued by Franchisor;

If Franchisee violates or fails to comply with any applicable law including state business licensing or bonding laws and fails to cure within the time allowed by law.

4. If Franchisee fails to maintain generally accepted good business practices which will reflect favorably on the Franchisee, Franchisor and its marks. This includes, but is not limited to: prompt response to clients', consumers' or Franchisor's inquiry, by mail, or telephone and payment of liabilities, fees, and debts of the Franchisee.

5. If the business of Franchisee is assigned, transferred, sold, leased, or for any other reason passes from the actual supervision or control of Franchisee without Franchisor's written consent including any transfer, sale, assignment, exchange or any other disposition of shares (or series of such transactions) of a corporate or limited liability company-owned franchise.

6. If the Franchisee fails to open its business within 180 days of signing this Agreement, or, if, after commencement of the business, Franchisee fails to operate the business continuously for a period of seven (7) business days during the term of this Franchise Agreement (Abandonment) unless prevented by Acts of God.

7. If Franchisee fails to personally complete or have its designated General Manager complete, the initial training described in Paragraph 4A(i) within 30 days of hire or engagement.

8. If Franchisee makes, or has made, any materially false statement or report to the Franchisor in connection with this Franchise Agreement or application therefor or in reporting Franchisee's revenues and resultant royalties.

9. If Franchisee fails to obtain from its managers, signed, written statements, in which these employees agree to keep secret Franchisor's trade secrets and proprietary information for operation of a Tijon Fragrance Lab business or if Franchisee delivers to, or permits unauthorized persons access to the Franchisor's confidential manuals, training programs, or any other confidential materials, or trains any other person to use Franchisor's methods for conduct of a similar business.

10. If Franchisee violates any of the provisions of Paragraph 15 of this Agreement.



11. (a) If Franchisee shall be adjudicated a bankrupt (unless restricted by the United States Bankruptcy Code) or becomes insolvent; (b) if a receiver of its property, or any part thereof, is appointed by a court of competent authority; (c) if Franchisee makes a general assignment for the benefit of its creditors; (d) if a final judgment against Franchisee remains unsatisfied of record for sixty (60) days or longer (unless a supersedeas bond is filed); (e) if execution is levied against Franchisee's business or property, or suit to foreclose any lien or mortgage is instituted and not dismissed within sixty (60) days; (f) if Franchisee's bank accounts, property or receivables are attached or garnisheed and such attachment or garnishment proceedings are not dismissed within a sixty (60) day period; or (g) if Franchisee is convicted of a felony.

12. If Franchisee breaches any of the terms of this Agreement two or more times within any twelve (12) month period, even if cured.

13. If Franchisee fails to comply with maintenance and refurbishing of the business as described in Section 5K of this Agreement.

With respect to the grounds for termination set forth above in subparagraph (1) and (2), Franchisor will deliver to Franchisee written notice of default at least seven (7) days prior to the date of termination; during this seven (7) day period, Franchisee will have the right to cure the default.

With respect to the grounds for termination set forth above in subparagraphs (3), (4), (5), (10) and (14), Franchisor will deliver to Franchisee written notice of default at least thirty (30) days prior to the date of termination; during this thirty (30) day period, Franchisee will have the right to cure the default.

With respect to the grounds for termination set forth above in subparagraphs (6), (7), (8), (9), (11), (12) and (13), Franchisor shall have the right to terminate this Agreement by written notice, without any right to cure by Franchisee.

Where notice of default and demand for performance is given, when and to the extent required, such notice or demand shall not be a waiver of any other term hereof. To the extent that any provisions of this Agreement provide for periods of notice less than those provided by any applicable law, or provide for termination, cancellation or non-renewal other than in accordance with such applicable law, then such provisions hereof shall be modified to the extent necessary to comply with the provisions of such applicable law.

10. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

A. Upon the termination of this Agreement and this franchise, or upon their expiration, Franchisee and franchise owner(s), as applicable, shall:

1. Promptly pay to Franchisor (its subsidiaries and affiliates), all sums of money, royalties, fees or other charges due or which are undisputed and have accrued to the date of termination or expiration, as applicable. Franchisee shall also refund any unearned sums of money that were collected from potential patrons, sponsors, or others for services that cannot be performed as the result of the termination or expiration of this agreement. Proof of such refunds must be submitted to Franchisor within 10 business days of termination or Franchisor may make such refunds and bill Franchisee, franchise owners and/or Guarantors as appropriate.



If termination is the result of a breach by Franchisee, Franchisee and/or guarantors shall pay to Franchisor, in lump sum, as liquidated damages, and not as a penalty, an amount equal to the average Royalty due during each of the last twelve months times thirty-six (36) or the number of remaining months left on this agreement, whichever is smaller. The parties expressly acknowledge and agree that such payments shall not affect any rights or remedies the Franchisor may have at law or in equity, including without limitation the right to seek injunctive relief, against Franchisee, Guarantors, and/or the franchise owners;

2. Cease to use, in any manner whatsoever, the Franchisor's name, the proprietary marks, manuals, brochures, slogans, signs, forms, devices and other materials, used in connection with the operation of the franchise, and take all necessary steps to disassociate itself from Franchisor, including removal of signs, internet postings, and non-use of letterheads. Franchisee shall not represent or advertise that Franchisor and Franchisee were formerly affiliated with the Franchise System;

3. Immediately return to Franchisor with no demand for compensation, all operations manuals, forms, signs, prospect and customer lists, as well as any other materials provided to Franchisee by Franchisor, its subsidiaries or affiliates; (Franchisor will repay Franchisee for signs or other materials paid for by Franchisee that were purchased from the Franchisor, that are returned in a salable condition, or their value may be credited to any unpaid obligations of the Franchisee);

4. Take whatever action is necessary to cancel, terminate and/or change any assumed name registration, document, or other record which contains the name "Tijon Fragrance Lab" (or any form or part thereof) or any Proprietary Mark of Franchisor;

5. Agree not to disclose any trade secrets, proprietary or confidential information of Franchisor, its subsidiaries and affiliates;

6. Immediately cease operation of the terminated or expired franchised business;

7. Notify all telephone companies, of the termination of this agreement and request that all telephone numbers, that have been used to identify the Franchisee as a licensee of Franchisor, be assigned to the Franchisor or terminated (at the Franchisor's discretion) no later than 7 days after the date of termination or expiration. The phone line(s) should be placed on intercept with no call forwarding unless the Franchisor chooses to accept financial responsibility for the line(s). This agreement to transfer or terminate phone line(s) applies to all telephone numbers whether commercial, residential, cellular, internet-based or other forms of telecommunications (See Addendum H: Assignment of Telephone Numbers and Listings);

8. Submit to the Franchisor an electronic copy of the Franchisee's client database and/or a list containing the names, addresses, telephone numbers and the name of the contact person responsible for purchasing Franchisee's products and services and products for each customer that has made a purchase during the prior 24 months, including therein, names, addresses, and telephone numbers of contacts at each host facility where Franchisee taught classes, camps or held tournaments during the prior 24 months;

9. In addition, Franchisee must refund to all customers (or to Franchisor, at Franchisor's option) any monies collected for services or products that have not been earned as the result of this termination or expiration and the resulting inability of Franchisee to deliver said products and provide services under the Tijon Fragrance Lab Mark.

10. Notify any and all Internet Service Providers, URL Registrars, search engines, directories and other pertinent sources of the termination of this agreement and request that all links, referrals, registrations,



and telephone numbers, that have been used to identify the Franchisee as a licensee of Franchisor, be assigned to the Franchisor or terminated (at the Franchisor's discretion) 7 days after the date of termination or expiration. Any domain name registrations should be transferred under regulations established from time to time by ICANN or the then current registration authority, to the Franchisor unless the Franchisor chooses not to accept financial responsibility for these URL(s). If this is the case, said name registrations should be cancelled and any web pages containing referrals to the Tijon Fragrance Lab name or logo or reference to business inventory and any services offered by Franchisee terminated.

11. Offer Franchisor the right to take over any commercial property leases utilized by Franchisee and to purchase for fair market value as established by a qualified independent appraiser selected by the Franchisor any equipment, inventory or leases for equipment utilized by the business.

If Franchisee and/or franchise owner(s), as applicable, fail or refuse to comply with this Section 10 in a professional and expeditious manner, as well as all other obligations hereunder intended to survive termination and expiration of this Agreement and Franchise, including but not limited to the non-disclosure, non-competition and indemnification covenants, then Franchisee and franchise owner(s) agree to pay Franchisor for all costs and expenses, including auditors' and attorneys' fees incurred by Franchisor in an effort to effect compliance thereunder. All obligations of Franchisee, franchise owner(s) and Franchisor hereunder which expressly, or by their nature, survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. Franchisor shall have the right, at its sole discretion, to cure any default of the Franchisee and bill the Franchisee for any expenses incurred in eliminating said default.

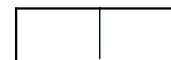
11. TRANSFERABILITY OF INTEREST

A. Franchisee may not assign this Franchise Agreement nor sell the assets of the business to others without the Franchisor's written consent. Franchisor may refuse to consent to any assignment, sale, transfer or bequeath by Franchisee of its rights under this Agreement, or to succession of this Agreement by will or intestacy, to any person, partnership, joint venture, corporation or other entity unless that party meets the then current standards for new Franchisees and Franchisee has met the requirements of Paragraph 11B below. An assignment or transfer shall include without limitation, an effective transfer of ownership of 20% or more of the ownership interest of a franchisee.

B. Prior to any inter vivo assignment or transfer, Franchisee shall fully pay and satisfy all of Franchisee's obligations to Franchisor, and, if the transfer is to an unrelated third party, Franchisee (or transferee) shall have fully paid to Franchisor a fee equal to twenty-five percent (25%) of the Initial Franchise Fee being charged new franchisees for a comparable territory at the time of the transfer for the training course, supervision, administrative, accounting, legal, and/or other Franchisor expenses incurred in connection with the transfer. In addition, Franchisor shall have the right to review and approve the purchase agreement for compliance with standard business practices, including, but not limited to, the debt burden of the purchaser; the transferee shall have signed a new Franchise Agreement with the Franchisor; training arrangements must be made; and Franchisee must sign a general release of the Franchisor from all claims.

C. This Agreement and all of Franchisor's rights, title, duties, obligations, and interest hereunder may be freely assigned, transferred or conveyed by Franchisor and shall be binding upon and inure to the benefit of Franchisor's successors and assigns.

D. Notwithstanding anything stated elsewhere in this Agreement, the Franchisee shall have the right, if it



is in full compliance with this Agreement, to transfer, without charge, its rights and obligations under this Agreement to a corporation or a limited liability company in which Franchisee continuously owns one hundred percent (100%) of the issued and outstanding shares of each class of stock or membership shares, provided that the corporation or LLC must agree in writing to be bound by the terms of this Agreement and the Franchisee hereby agrees to remain personally liable in all respects as a guarantor of the obligations of the corporation or LLC. Franchisee shall be in default under the terms of this Agreement if Franchisee, at any time, disposes of any interest sufficient to reduce its ownership in the corporation to less than eighty 80% interest of any class of stock without complying with the steps of Paragraph 11B.

E. Franchisor retains the right to purchase the assets of Franchisee at the same price and on the same terms as any other party. If Franchisee reaches an agreement to sell, assign or transfer this license, ownership of the Franchisee or the Franchise Business itself, to another party, it must be subject to Franchisor's right of first refusal described in this Sub Paragraph E. Franchisor will notify Franchisee of its intent to exercise or waive said rights within 10 days of receiving written documentation indicating the Franchisee's agreement to sell. Franchisor shall have an additional 45 days to complete the purchase, in instances where it decides to exercise its right to purchase, after it has given Franchisee its notice to do so.

F. In the event of the death, disability or permanent incapacity of Franchisee (or appointment of a conservator or guardian of the person or estate of Franchisee, or if Franchisee is a corporation or limited liability company, then upon the death, insanity, permanent disability of the corporation's principal officer or the manager or managing member of an LLC), Franchisor shall not unreasonably withhold its consent to the transfer of all of the interests of Franchisee to his spouse, heirs or relatives, whether such transfer is made by will or by operation of law, provided that the requirements of Paragraph 11B hereof have been met. In the event that Franchisee's heirs do not obtain the consent of Franchisor as prescribed herein, the personal representative of Franchisee shall have reasonable time, not to exceed six months from the date of death or incapacity, to dispose of Franchisee's interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

12. NON-WAIVER

No failure of Franchisor to exercise any rights reserved to it nor to insist upon strict compliance by Franchisee (or franchise owner(s) as applicable) with any obligation or condition of this contract, and no custom or practice at variance with these terms, shall constitute a waiver of Franchisor's right to demand exact compliance with these terms. Waiver by Franchisor of any particular default by Franchisee (or franchisee owner(s)) shall not affect or impair Franchisor's rights in respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee or franchise owner(s) of any of the terms, provisions, or covenants, affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any right or of the right to declare any subsequent breach or default of this Agreement. Subsequent acceptance by Franchisor of the payments due to it shall not be deemed to be a waiver by Franchisor of any of its rights arising by a preceding breach by Franchisee or franchisee owner(s) of any terms, covenants or conditions of this Agreement.

13. NOTICE

Any notices required to be given shall be given in writing by personal delivery, or by certified or registered mail, or by reputable commercial overnight delivery service, directed to Franchisor at Tijon Fragrance Lab Franchising, Inc, 4757 North Wolford, Tucson, Arizona 85749 or to Franchisee at Franchisee's address set



forth on the first page of this Agreement. Notice by mail shall be deemed received on the fifth business day following the date it was deposited in the mail.

Either party hereto may change the address to which any notices to such party shall be delivered, by written notice to the other.

LIABILITY FOR BREACH

In the event of any breach of this Agreement by either party, in addition to any other remedies the aggrieved party may have at law or in equity, the party in breach shall pay to the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees and auditors' fees incurred by the aggrieved party as a result of any such breach.

14. COVENANT NOT TO DISCLOSE OR COMPETE

Franchisee and any guarantors hereof acknowledge that their initial knowledge of the operation of a Tijon Fragrance Lab franchise, its products, services and methods of conducting business, is derived wholly from information disclosed to them by Franchisor pursuant to this Agreement, the training programs, the Confidential Operating Manuals and other means, and that such information is proprietary and confidential.

A. So long as this Franchise Agreement is in effect, and forever after, Franchisee and all Guarantors shall maintain the absolute confidentiality of such information and shall not divulge to, or use for the benefit of, any other person, partnership, association, trust, corporation or entity outside the Franchisor's organization, any information identified as confidential or Proprietary Information of Franchisor, or of Franchisee, nor any information concerning customers, the methods of doing business (including, without limitation, approved supplier and inventory lists, production techniques, vendors, promotion, marketing concepts and other technical information and know-how employed by Franchisor or its franchisees in the retail perfumery business) which Franchisee or the guarantor may acquire by virtue of their operation under the terms of this Agreement. Further, for so long this Franchise Agreement is in effect, and forever after, Franchisee and all Guarantors shall maintain the absolute confidentiality of any and all information identified by Franchisor as Trade Secrets including information concerning perfume formularies, lesson plans, business sales of Franchisor and any Franchisee, pricing of products and services, and any other information represented as Trade Secrets by Franchisor to Franchisee which Franchisee or guarantor may acquire by virtue of their operation under the terms of this Agreement. Information furnished to employees, or agents of Franchisee by Franchisee shall be reasonably limited to that information which directly relates to such employees' or agents' duties. All management employees of the Franchisee shall execute like non-disclosure and confidentiality undertakings in writing as a condition precedent to their engagement by Franchisee. information identified as Trade Secrets.

B. So long as this Franchise Agreement is in effect, and for two years thereafter, except for the franchised business licensed hereunder, Franchisee and guarantors expressly covenant that Franchisee and guarantors will not engage, directly or indirectly, within a fifty (50) mile radius of the boundaries of Franchisee's Protected Territory, or within fifty (50) miles of any other Tijon Fragrance Lab franchisee business or office of any affiliate of Franchisor, whether as an owner, stockholder, partner, officer, director, or managerial employee in a retail perfumery business providing product sales or classes in the creation of perfumes, or otherwise to engage in a business similar to that licensed hereunder. If Franchisee and/or Guarantors do so compete, Franchisee and/or guarantors shall pay to Franchisor, in lump sum, as liquidated damages, and not as a penalty, an amount equal to the average Royalty due during each of the last twelve months times thirty-six (36). The parties expressly acknowledge and agree that such payments shall not affect



any rights or remedies the Franchisor may have, at law or in equity, including without limitation the right to seek injunctive relief, against Franchisee and/or the franchise owners by reason of such competition by them.

C. This Covenant is entered into by and between the parties hereto with full knowledge of its nature and extent. They hereby acknowledge that the Franchise Agreement would not be entered into by the Franchisor except upon the condition that such restrictive covenant be embodied herein and that, as such, they be enforceable, in the event of a breach by Franchisee and/or the franchise owners, by injunctive relief, and/or any other remedies available at law or equity to Franchisor, which remedies shall be cumulative. Franchisee and the franchise owners expressly acknowledge and represent that, prior to entering into this Agreement, they were employed and earned a living in some occupation other than that contemplated by this Agreement, and would not be prevented or prohibited from being employed and earning a living upon the termination of this Agreement, whether voluntarily or involuntarily, in the event they were prohibited from engaging in the ownership or management of a perfumery.

15. ENTIRE AGREEMENT

This Agreement and the documents to which reference in it has been made, shall be construed together and constitute the entire, full and complete agreement between the parties and shall supersede all prior agreements, no other representation having induced Franchisee and franchise owner(s), as applicable, to execute this Agreement. There are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect. Nothing contained in this Agreement, however, shall serve to waive or release any representations made by the Franchisor in its Franchise Disclosure Document. No amendment, change or variance from this Agreement shall be binding on any party unless executed in writing.

16. SEVERABILITY

Each paragraph, section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any paragraph, section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, such shall not impair the operation of or affect the remaining paragraphs, sections, parts, terms, and/or provisions of this Agreement, and the latter will continue to be given full force and effect and bind the parties. Said invalid paragraphs, sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement, provided, however, that if Franchisor determines that said finding of illegality adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement. Nothing in this agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

17. MEDIATION AND ARBITRATION

A. Any controversy or claim (other than those arising from non-payment of monies due, falsification of reports, abandonment, those regarding trademark infringement, and non-compete provisions) arising out of or relating to this contract, or the breach thereof, shall be subject to mandatory non-binding Mediation. The Mediator will be appointed in accordance with the Rules and Regulations of the American Arbitration Association unless the parties agree on a Mediator in writing within ten (10) days after either party gives written notice of Mediation. If either party alleges a dispute or controversy against the other party for any reason, except for those specified above, then either party will have the right to demand non-binding Mediation within the (10) days after the complaining party provided the other party with written notice describing the



dispute or controversy and the desired action. All Mediation hearings will take place exclusively in Tuscon, AZ, and will be held within twenty (20) days after the Mediator has been appointed. The Mediation hearing will be informal and the Mediator will have the right to hear and review all testimony and evidence presented by either party. The cost of the Mediator will be shared equally by the parties. The parties agree that they will act in good faith to settle any dispute or controversy between them either prior to or during Mediation. All matters, testimony, arguments, evidence, allegations, documents and memorandums will be confidential in all respects and will not be disclosed to any other person or entity by either party, nor used in any other proceeding relating to the dispute.

The Franchisor and the Franchisee will not have the right to commence any Arbitration or legal proceedings against the other party until the dispute or controversy has been mediated as provided for herein, unless said dispute is of a nature excluded from Mediation as set forth above or if neither party has requested mediation. Both parties will have the right to take all actions necessary to demand Arbitration or to commence legal proceedings prior to any Mediation hearing; however, neither party will have the right to an arbitration hearing or to prosecute any legal proceedings beyond commencement of an action until the Mediation has concluded.

B. Any controversy or claim (other than those arising from non-payment of monies due, falsification of reports, abandonment, those regarding trademark infringement, and non-compete provisions) arising out of or relating to this contract, or the breach thereof, not resolved through Mediation, shall be resolved by Arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, by a single arbitrator. Said Arbitration shall take place at Tuscon, AZ. Judgment entered upon an award rendered by the Arbitrator may be entered in any court having jurisdiction thereof. The parties agree that they shall be entitled to take discovery by way of depositions and requests for production of documents and that AAA-issued subpoenas shall suffice for compelling same. Each party shall determine the extent of the discovery it desires to undertake and shall submit to the arbitrator (and serve on the opposing party) a schedule of such intended discovery. Each party shall be entitled to take discovery pursuant to its schedule unless objection thereto is made by the other party within 10 days after service of said schedule. The parties shall make a good faith attempt to resolve all objections. Any unresolved objections shall be submitted to the arbitrator for resolution. Arbitration shall be on an individual basis, not a class wide or consolidated basis.

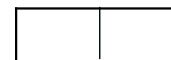
C. Nothing herein shall bar the right of either party to obtain injunctive relief against threatened or actual conduct under the usual rules of equity, including the applicable rules for obtaining preliminary injunctions.

18. FRANCHISEE

The term "Franchisee" shall be deemed to include all persons who succeed to the interest of the original Franchisee by transfer or operation of law.

19. VENUE/GOVERNING LAW

This Agreement was entered into in the State of Arizona and this Agreement, and all disputes between the parties hereto, shall be interpreted and construed under its laws. The parties agree that any action in which Franchisor is a party brought by any party against another party in connection with any disputes, rights or obligations arising out of this Agreement, and not otherwise subject to binding arbitration under Section 18 above, shall be instituted in a state court of competent jurisdiction with venue only in Pima County, State of Arizona, or in the United States District Court for the Arizona District except and only to the extent prohibited by applicable law. Any party to this Agreement named as a defendant in such an action brought in connection



with this Agreement in any other court outside of the above-designated county or district shall have the right to have the venue of said action changed to the above-designated county or federal district, unless precluded by applicable law. Franchisee hereby agrees to submit personally to the jurisdiction of a court of competent subject matter jurisdiction located in the above-designated state and county or federal district, except in any legal proceeding where Franchisor is not a party. The parties acknowledge that this Agreement is executed in and that a material portion of Franchisor's obligations under this Agreement are to be performed in, the above-designated state, county and federal district.

Nothing contained in this paragraph shall prevent or prohibit Franchisor from seeking an injunction or other equitable relief in any court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in duplicate the day and year first above written.

Witnesses:

TIJON FRAGRANCE LAB FRANCHISING, INC.
(FRANCHISOR)

By _____
Duly Authorized

Franchisee (Seal)

Printed Name

Franchisee (Seal)

Printed Name





**ADDENDUM A TO THE FRANCHISE AGREEMENT
FRANCHISEE'S PROTECTED TERRITORY**

Witnesses:

TIJON FRAGRANCE LAB FRANCHISING, INC.
(FRANCHISOR)

	By	
		Duly Authorized
		Franchisee (Seal)
		Printed Name
		Franchisee (Seal)
		Printed Name

Initials

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ADDENDUM B TO THE FRANCHISE AGREEMENT

CLOSING ACKNOWLEDGMENTS

In order to ensure that your decision to purchase a Franchise from Tijon Fragrance Lab Franchising, Inc. (Franchisor) is based upon your own independent investigation and judgment, please complete and sign this Acknowledgment.

1. I (we) have not received any information, either oral or written, regarding the sales, revenues, earnings, income or profits of Tijon Fragrance Lab Franchisees from any officer, employee, agent or sales representative of Franchisor other than in this document.

2. I (we) have not received any assurances, promises or predictions of how well my (our) Tijon Fragrance Lab franchise will perform financially from any officer, employee, agent or sales representative of Franchisor.

3. I (we) have made my (our) own independent determination that I have adequate working capital to develop, open and operate my (our) Tijon Fragrance Lab franchise.

4. I (we) acknowledge that Franchisor will use reasonable efforts to assist me (us) in choosing a location for my (our) Tijon Fragrance Lab business, but I also understand that I am (we are) responsible for the final decision regarding the selection of a suitable territory and site.

5. I (we) am not relying on any promises of Franchisor which are not contained in the Franchisor's Franchise Agreement.

6. I (we) understand that my (our) investment in a Tijon Fragrance Lab Franchise contains substantial business risks and that there is no guarantee that it will be profitable.

7. I (we) have been advised by Franchisor and its representatives to seek professional legal and financial advice in all matters concerning the purchase of my (our) Tijon Fragrance Lab Franchise.

8. I (we) acknowledge that the success of my (our) Tijon Fragrance Lab franchise depends, in large part, upon my (our) ability as an independent business person(s) and my (our) active supervision of the day-to-day operation of the business.

9. The name(s) of the person(s) with whom I (we) dealt in the purchase of my (our) Tijon Fragrance Lab Franchise is (are)___.

Dated:_____

Printed Name

Signature

Printed Name

Signature

Initials

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**ADDENDUM C TO THE FRANCHISE AGREEMENT
ACCEPTED LOCATION AND PROTECTED TERRITORY**

Franchisee's Approved Location is hereby identified as follows:

Franchisee is authorized to open and operate a Tijon Fragrance Lab at the following specific

site: _____

Witnesses:

**TIJON FRAGRANCE LAB FRANCHISING, INC.
(FRANCHISOR)**

By _____
Duly Authorized

Franchisee (Seal)

Printed Name

Franchisee (Seal)

Printed Name

ADDENDUM D TO THE FRANCHISE AGREEMENT

GUARANTY

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement") by Tijon Fragrance Lab Franchising, Inc. (hereafter "Franchisor"), each of the undersigned individuals, ("Guarantors") hereby personally and unconditionally: (1) guarantees to Franchisor and its affiliates and their successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement and comply with all sections of the Agreement, as though the undersigned were the Franchisee.

Each of the undersigned waives:

- (a) acceptance and notice of acceptance by Franchisor and its affiliates of the foregoing undertakings;
- (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
- (d) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that:

- (a) his direct and immediate liability under this guaranty shall be joint and several;
- (b) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
- (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor or its affiliates of any remedies against Franchisee or any other person;
- (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor or its affiliates may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this guaranty.

Initials

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IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

PERCENTAGE OF OWNERSHIP
INTERESTS IN FRANCHISEE

GUARANTOR(S)

Initials

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ADDENDUM E TO THE FRANCHISE AGREEMENT

FOR RESIDENTS OF THE STATE OF CALIFORNIA

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

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

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California Law.

The Franchise Agreement requires application of the laws of the state of Arizona. This may not be enforceable under California Law.

Neither the Franchisor, nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form containing such information as the Commissioner may by rule or order require prior to a solicitation of a proposed material modification of an existing franchise.

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

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

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

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

Illinois State Law Appendix

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, ILCS 705/19 and 705/20.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act is void."

Initials

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This Agreement shall be governed by and construed in accordance with the laws of the state of Illinois, and any and all disputes between the parties shall be resolved, within the state of Illinois, whether by mediation, arbitration or litigation.

BY EXECUTING THIS APPENDIX, THE PARTIES HERETO MAKE THIS APPENDIX A PART OF THE ACCOMPANYING FRANCHISE AGREEMENT, AND INCORPORATE THIS APPENDIX THEREIN.

Franchisee Date

Franchisor Date

Minnesota State Law Appendix

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, 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.

BY EXECUTING THIS APPENDIX, THE PARTIES HERETO MAKE THIS APPENDIX A PART OF THE ACCOMPANYING FRANCHISE AGREEMENT, AND INCORPORATE THIS APPENDIX THEREIN.

Washington State Law Appendix

The state of Washington has a statute, RCW 19.100.180, which may supersede the franchise agreement in your relationship with the 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 the franchisor including the areas of termination and renewal of your franchise.

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

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are 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 of remedies under the act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Initials

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FOR RESIDENTS OF ALL STATES LISTED IN THIS ADDENDUM

Notwithstanding Section 16 of the Franchise Agreement to the contrary, this Addendum will not be merged with or into, or superseded by, the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, this Addendum will be controlling. Except as otherwise expressly set forth in this Agreement, no other amendments or modifications of the Franchise Agreement are intended or made by the parties.

Applicable state or commonwealth: _____

In witness whereof, the parties hereto have duly executed and delivered this Addendum as of the date of execution of the Franchise Agreement.

TIJON FRAGRANCE LAB FRANCHISING, INC.

FRANCHISEE

By:

Signature

Print name

Signature

Print name

Initials

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**ADDENDUM F TO THE FRANCHISE AGREEMENT
BANK AUTHORIZATION FORM**

I hereby authorize Tijon Fragrance Lab Franchising, Inc., hereinafter called "Tijon Fragrance Lab," to initiate debit entries to my__ Checking__ Savings account indicated below at the depository named below, hereinafter called DEPOSITORY and authorize DEPOSITORY to debit the same to such account.

DEPOSITORY (BANK) NAME: _____

BRANCH: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

Bank/ABA #: _____

ACCOUNT #: _____

This is to remain in full force and effect for the entire term of the Franchise Agreement, including renewals, unless upon ten (10) days written notice this authorization is subsequently replaced by maker.

FRANCHISEE: _____

FEDERAL IDENTIFICATION: _____
(Please print or type)

SIGNED: _____

DATE: _____

Initials

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**ADDENDUM G TO THE FRANCHISE AGREEMENT
COLLATERAL ASSIGNMENT OF LEASE**

FOR VALUE RECEIVED, the undersigned _____, ("Tenant") hereby assigns, transfers and sets over unto Tijon Fragrance Lab Franchising, Inc., an Arizona Corporation ("Tijon Fragrance Lab") all of Tenant's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the "Lease") respecting premises commonly known as _____ . This Agreement is for collateral purposes only and except as specified herein, Tijon Fragrance Lab shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of the Lease unless Tijon Fragrance Lab shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Tenant thereunder after the date of such assignment.

If Tijon Fragrance Lab takes possession of the premises demised by the Lease and confirms to Landlord the assumption of the Lease by Tijon Fragrance Lab or its designee as tenant thereunder, Landlord shall recognize Tijon Fragrance Lab as tenant under the Lease, and Tijon Fragrance Lab, or its designee shall not be liable for prior defaults or for obligations prior to the date of such assignment to Tijon Fragrance Lab.

Tenant represents and warrants to Tijon Fragrance Lab that it has full power and authority to so assign the Lease and its interest therein and that Tenant has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby to any party other than Tijon Fragrance Lab or a Tijon Fragrance Lab designee.

Upon default by Tenant under the Lease or under the franchise agreement for a Tijon Fragrance Lab business between Tenant and Tijon Fragrance Lab (the "Franchise Agreement"), or in the event of a default by Tenant under any document or instrument securing said Franchise Agreement, Tijon Fragrance Lab shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Tenant therefrom and, in such event, Tenant shall have no further right, title or interest in the Lease.

Tenant agrees it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Tijon Fragrance Lab. Through the term of the Franchise Agreement and any renewals thereto, Tenant agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Tijon Fragrance Lab otherwise agrees in writing. Upon failure of Tijon Fragrance Lab to otherwise agree in writing, and upon failure of Tenant to so elect to extend or renew the Lease as stated herein, Tenant hereby appoints Tijon Fragrance Lab as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Tenant for the sole purpose of effecting such extension or renewal.

Initials

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This _____ day of _____, 201_____

TENANT:

By: _____

Name: _____

Title: _____

Witness: _____

Notary Public

FRANCHISEE OWNERS:

By: _____

By: _____

By: _____

By: _____

Notary Public

Tijon Fragrance Lab Franchising, Inc.

By: _____

Name: _____

Title: _____

Witness: _____

Notary Public

Initials

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**ADDENDUM H TO THE FRANCHISE AGREEMENT
ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS**

This Assignment is entered into this _____ day of _____, _____, in accordance with the terms of that certain Tijon Fragrance Lab Franchising, Inc. Franchise Agreement (the "Franchise Agreement" between _____ ("Franchisee") and Tijon Fragrance Lab Franchising, Inc. an Arizona Corporation ("Franchisor"), executed concurrently with this Assignment, under which "Franchisor" granted "Franchisee" the right to own and operate a Tijon Fragrance Lab "Business" located at _____ (the "Facility").

For Value Received, "Franchisee" hereby assigns to "Franchisor", all of the right, title and interest in and to those certain telephone numbers listed below and regular, classified, internet or other telephone directory listings (collectively, the "Telephone Numbers and Listings") associated with Franchisor's trademarks and service marks and used from time to time in connection with the operation of the Business at the address provided above. Except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the Telephone Company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as the Telephone Company) to effectuate the assignment pursuant to the terms thereof.

TIJON FRAGRANCE LAB FRANCHISING, INC.

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Telephone Numbers

Initials

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ADDENDUM I TO THE FRANCHISE AGREEMENT

SAMPLE NON-DISCLOSURE AND NON-COMPETITION PROVISIONS FOR GENERAL MANAGERS

1. In consideration for employment, the undersigned, wishing to become a General Manager of _____, a Franchisee of **Tijon Fragrance Lab Franchising, Inc.**, agrees to take the Tijon Fragrance Lab (hereinafter referred to as Franchisor) basic course in management of a retail perfumery selling a wide variety of perfumes and providing classes in perfume creation under the Tijon Fragrance Lab logo within 30 days of the date hereof.

2. The undersigned shall not disclose to any unauthorized person any Proprietary Information pertaining to the Franchisee's business, including information concerning inventory and products lists, customer names, contact information, and purchases, marketing methods, advertising methods, equipment and supply sources, pricing techniques, and any other information represented as confidential by the Franchisee or the Franchisor to the undersigned, without the Franchisor's specific written consent during the term of employment nor for two (2) years thereafter. In addition, the undersigned shall not disclose to any unauthorized person any Trade Secrets pertaining to the Franchisee's business, including information concerning formularies, lesson plans, business sales, and any other information represented as Trade Secrets by the Franchisee or the Franchisor to the undersigned, without the Franchisor's specific written consent in perpetuity unless said information becomes public knowledge through other means.

3. The undersigned shall not be involved directly or indirectly, as manager, general manager, sales agent, sales or management level employee, consultant, owner, or representative, in any business or business activity which is engaged wholly or partially in the business of a retail perfumery or any business substantially competitive with Franchisee's business, anywhere within an area defined by a fifty (50) mile radius of Franchisee's Protected Territory, during the term of employment, nor for a period of two years after its termination.

4. The undersigned expressly acknowledges and represents that, prior to entering into this Agreement, he/she was employed and earned a living in some occupation other than that contemplated by this Agreement, and would not be prevented or prohibited from being employed and earning a living upon the termination of this Agreement, whether voluntarily or involuntarily, in the event he/she was prohibited from engaging in the operation of a perfumery.

The undersigned acknowledges that a copy of this Agreement will be immediately provided to Tijon Fragrance Lab Franchising, Inc., which is an intended third-party beneficiary with the right to bring an action under this provision.

The undersigned further acknowledges that he/she has received a copy of this Agreement.

Franchisee

Printed Name

Signature

Signature

Date

Initials

--	--

ADDENDUM J TO THE FRANCHISE AGREEMENT
PROMISSORY NOTE
(Installment Payment)

§ _____

State of Arizona, _____

For value received, the undersigned does hereby promise to pay in lawful money of the United States of America, to Tijon Fragrance Lab Franchising, Inc., 4757 North Wolford, Tucson, Arizona 85749, or its, successors, designee, assigns, or order (“HOLDER”) at a place designated by HOLDER the sum

of _____ and No/100 DOLLARS (\$_____.00), plus accrued interest

at a rate of _____ Percent (_____%) simple interest, in cash or certified funds in the following manner:

(i) _____ DOLLARS (\$_____.00) due and payable on the _____ day of each

month, beginning on _____ and continuing for _____ consecutive months; and

The MAKER hereof reserves the privilege of prepaying this note in whole or in part at any time without penalty and without the payment of any unearned interest. Any partial prepayment made shall not postpone the due date of any subsequent monthly installments or change the amount of such installments, unless HOLDER shall otherwise agree in writing.

Should a default occur in the payment of any installment under this note or in any provision contained herein or in the security agreement of even date herewith, the entire principal sum and accrued interest shall at once become due and payable, upon a ten (10) day written notice from date of receipt if accepted or from date of posting if not accepted specifying the default and sent certified mail to MAKER’S last known address, return receipt requested (said certified letter shall be deemed to be received whether claimed or unclaimed) or hand delivered, at the option of the HOLDER of this note.

MAKER shall have the right to cure said default during the notice period. Failure to exercise this option by HOLDER shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. MAKER and any surety, guarantor, endorser or other party including heirs, successors and assigns hereby waive presentment, notice, demand and protest and any homestead or exemption rights afforded them under State or Federal Laws.

MAKER agrees that the Franchise Agreement which is being purchased under an agreement of even date from Tijon Fragrance Lab Franchising, Inc, shall be security upon this note.

Any installment paid more than ten (10) days after its due date shall bear a late fee of five percent (5%) per month (or any portion thereof), or the maximum allowed by law if less.

Should this note, or any part of the indebtedness evidenced hereby, be collected by law or through an Attorney at Law, the HOLDER shall be entitled to collect attorney’s fees in an amount equal to fifteen percent (15%) of the principal and interest, and all costs of collection.

HOLDER by acceptance of this instrument agrees that, at any time prior to maturity, it offers this note for discount, it will first offer the note to MAKER on the same terms and conditions as offered by a third party. MAKER shall have fifteen (15) days from date of notice of said offer to exercise its right of first refusal hereunder.

Time is of the essence of this NOTE.

No extension or any modification of this instrument shall limit the obligations of any party executing or guaranteeing this instrument.

This NOTE shall be construed in all respects and enforced in accordance with the laws of the State of Arizona.

Witness by hand and seal this the first day above written.

WITNESS:

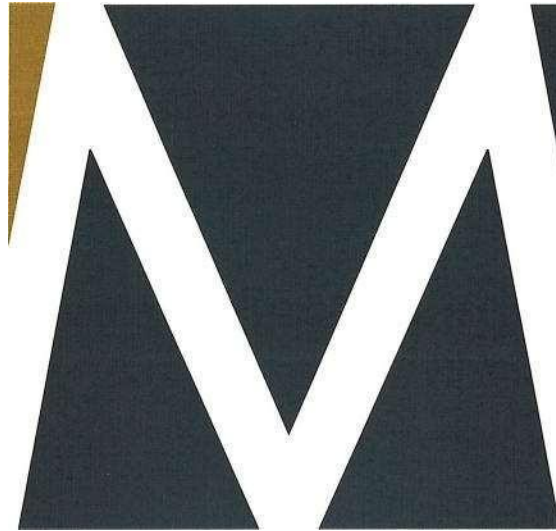
MAKER:

_____ (SEAL)

_____, Individually

initials

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Tijon Fragrance Lab Franchising, Inc.

**Financial Statements
and Independent Auditors' Report Years Ended**

December 31, 2024 and 2023



101 S. HANLEY, SUITE 1325
ST. LOUIS, MISSOURI 63105
p: 314.726.0626
f: 314.726.0627

INDEPENDENT AUDITORS' REPORT

Stockholders
TIJON FRAGRANCE LAB FRANCHISING, INC.
Tucson, Arizona

Opinion

We have audited the financial statements of Tizon Franchise Lab Franchising, Inc. which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of operations and stockholders' equity, and of cash flows for the years then ended, and the related note to the financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tizon Franchise Lab Franchising, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tizon Franchise Lab Franchising, Inc. and to meet our 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 the ability of Tizon Franchise Lab Franchising, Inc. to continue as a going concern for a period of one year from the date these financial statements were available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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



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conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Tijon Fragrance Lab Franchising, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate, that raise substantial doubt about Tijon Fragrance Lab Franchising, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Maher & Company PC

Certified Public Accountants
March 11, 2025

Tijon Fragrance Lab Franchising, Inc.

Statements of Financial Position

December 31

	2024	2023
Assets		
Current Assets		
Cash	\$ 103,686	\$ 6,834
Due from franchisee	26,850	-
Deferred expenses - broker fees	45,000	-
	<u>175,536</u>	<u>6,834</u>
Total current assets	<u>175,536</u>	<u>6,834</u>
	<u> </u>	<u> </u>
	\$ 175,536	\$ 6,834
Liabilities and Stockholders' Equity		
Current Liabilities		
Deferred revenue	\$ 150,547	\$ -
	<u>150,547</u>	<u>-</u>
Total current liabilities	150,547	-
Deferred Revenue	7,141	1,517
Stockholders' Equity		
Common stock, \$1 par value, 1,000 shares authorized, 103 and 100 shares issued and outstanding, respectively	103	100
Additional paid-in capital	5,818	5,818
Retained earnings (deficit)	11,927	(601)
	<u>17,848</u>	<u>5,317</u>
	<u>\$ 175,536</u>	<u>\$ 6,834</u>

Note to Financial Statements.

Tijon Fragrance Lab Franchising, Inc.

Statements of Operations Years Ended December 31

	2024	2023
Revenue	\$ 42,485	\$ 200
General and Administrative Expenses		
Broker fees	13,450	-
Professional fees	9,851	270
Marketing and trade shows	6,550	-
Other	<u>106</u>	<u>160</u>
	<u>29,957</u>	<u>430</u>
Net Income (Loss)	<u>\$ 12,528</u>	<u>\$ (230)</u>

Note to Financial Statements.

Tijon Fragrance Lab Franchising, Inc.

Statements of Stockholders' Equity Years Ended December 31, 2024 and 2023

	Common Stock		Additional Paid-In Capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, January 1, 2023	100	\$ 100	\$ 5,818	\$ (371)	\$ 5,547
Net loss	-	-	-	(230)	(230)
Balances, December 31, 2023	100	100	5,818	(601)	5,317
Issuance of common stock	3	3	-	-	3
Net income	-	-	-	12,528	12,528
Balances, December 31, 2024	103	\$ 103	\$ 5,818	\$ 11,927	\$ 17,848

Note to Financial Statements.

Tijon Fragrance Lab Franchising, Inc.

Statements of Cash Flows Years Ended December 31

	2024	2023
Cash Flows from Operating Activities		
Net income (loss)	\$ 12,528	\$ (230)
Increase in due from franchisee	(26,850)	-
Increase in deferred expenses - broker fees	(45,000)	-
Increase (decrease) in deferred revenue	<u>156,171</u>	<u>(200)</u>
 Net cash provided by (used in) operating activities	 96,849	 (430)
Cash Flows from Financing Activities		
Issuance of common stock	3	-
Receipt of amount due from stockholders	<u>-</u>	<u>5,000</u>
 Net cash provided by financing activities	 <u>3</u>	 <u>5,000</u>
 Net Increase in Cash	 96,852	 4,570
 Cash, January 1	 <u>6,834</u>	 <u>2,264</u>
 Cash, December 31	 <u>\$ 103,686</u>	 <u>\$ 6,834</u>

Note to Financial Statements.

Tijon Fragrance Lab Franchising, Inc.
Note to Financial Statements
Years Ended December 31, 2024 and 2023

Business Tijon Fragrance Lab Franchising, Inc. (the Company) was incorporated in September 2017 under the laws of the state of Arizona to operate as a franchisor of Tijon Fragrance Lab locations throughout the United States and the Caribbean. The Company grants franchises to qualified persons or business entities to operate a business providing retail sales of perfumes and colognes as well as a variety of classes teaching patrons how to create their own custom fragrances. There were three active franchise locations at December 31, 2024 and 2023. The Company signed franchise agreements related to seven additional franchise locations in 2024, all of which Company management expects to open for business in 2025.

Use of estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Management’s estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the financial statement dates. Actual results may differ from those estimates.

Trademarks In October 2017, a related party assigned to the Company the rights to certain trademarks associated with the Company’s name. Those trademarks were successfully registered with the United States Patent and Trademark Office prior to the Company’s inception. The costs associated with the applications for registration of those trademarks and subsequent renewal were paid by the related party, and the consideration paid by the Company to acquire the rights associated with the trademarks were insignificant. In 2019, one of the Company’s trademarks expired and was not renewed. In 2022, the Company’s active trademark was also registered with the French trademark office.

Revenue recognition and related party The Company’s agreements with franchisees typically contain ten-year terms and require the franchisees to pay initial franchise fees at the commencement of those agreements, in addition to royalties and other fees periodically after the locations open for business. The franchise agreements stipulate the pre-opening and ongoing obligations of the Company. With respect to the initial franchise fees, the Company has elected practical expedients available to franchisors under Accounting Standards Codification (ASC) Topic 952 *Franchisors* whereby the Company accounts for pre-opening services as distinct from the franchise license, and accounts for the pre-opening services as a single performance obligation. The Company’s other performance obligation associated with the initial franchise fee is the licensing of the franchise.

The transaction price associated with each initial franchise fee is allocated to those two performance obligations based on management’s estimates of relative standalone selling prices in accordance with ASC 606-10-32. The transaction price associated with the licensing of each franchise is deferred initially, and subsequently recognized ratably on a straight-line basis over the terms of the franchise agreements.

Deferred revenue on the accompanying statements of financial position represents the Company’s contract liabilities associated with partially unsatisfied performance obligations related to franchise licensing and pre-opening services. Deferred revenue is summarized by performance obligation as follows for the years ended December 31, 2023 and 2024:

<u>Franchise</u>	<u>Pre-Opening</u>	
<u>Licensing</u>	<u>Services</u>	<u>Total</u>

Balances, January 1, 2023	\$ 1,717	\$ -	\$ 1,717
Revenue recognized - franchise licensing	<u>(200)</u>	<u>-</u>	<u>(200)</u>
Balances, December 31, 2023	1,517	-	1,517
New franchise agreements sold	7,000	191,656	198,656
Revenue recognized - franchise licensing	(476)	-	(476)
Revenue recognized - pre-opening services	<u>-</u>	<u>(42,009)</u>	<u>(42,009)</u>
Balances, December 31, 2024	<u>\$ 8,041</u>	<u>\$ 149,647</u>	<u>\$ 157,688</u>

Management’s expectations with respect to timing for satisfaction of these unsatisfied (or partially satisfied) performance obligations are as follows as of December 31, 2024:

	<u>Franchise Licensing</u>	<u>Pre-Opening Services</u>	<u>Total</u>
Expected to be earned within one year	\$ 900	\$ 149,647	\$ 150,547
Expected to be earned beyond one year	<u>7,141</u>	<u>-</u>	<u>7,141</u>
	\$ 8,041	\$ 149,647	\$ 157,688

With respect to royalties and other fees after the franchise locations open for business, the Company's performance obligations under its agreements with franchisees have been transferred to a related party entity, pursuant to the terms of a management agreement. In a similar manner, the Company's rights to those revenues under agreements with franchisees have also been transferred to that related party. Accordingly, management has determined that the Company has no performance obligations to fulfill or consideration to be received from the franchisees and, accordingly, no revenue or costs of revenue have been recognized in 2024 or 2023 related to royalties and other fees. The Company and the related party have common stockholders.

Deferred expenses The Company paid broker fees of \$52,500 during 2024 that were specifically attributable to four of the seven franchise agreements signed in 2024. In accordance with ASC 340-40, broker fees constitute incremental costs of obtaining a contract as the Company would not have incurred those costs if the related franchise agreements had not been obtained. Accordingly, the Company initially deferred the broker fees paid in relation to the new 2024 franchise locations, and has recognized expense in a systematic manner consistent with the method used in relation to revenue recognition for the performance obligation related to pre-opening services.

The Company recognized expense of \$7,500 in the year ended December 31, 2024, in relation to broker fees initially deferred, and expects to recognize expense for the remaining deferred amount in 2025.

Income taxes The Company has elected to be treated as an S Corporation for income tax purposes under the provisions of the Internal Revenue Code. Income taxes are generally the personal responsibility of the stockholders and, accordingly, no provision for income taxes have been included in the accompanying statements of operations.

Subsequent events In January 2025, the Company entered into a franchise agreement with terms consistent with existing agreements in relation to an additional franchise location, and collected the initial franchise fee stipulated therein. In February 2025, the Company collected the amount due to the Company from a franchisee as of December 31, 2024.

The Company has evaluated all subsequent events as of March 11, 2025, which is the date these financial statements were available to be issued, but has not evaluated any events after that date.